

PUBLIC INSTRUCTION

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over Base Year Doubled Amount	Percent
GPR	\$11,065,102,000	\$11,109,105,200	\$11,354,425,000	\$11,354,425,000	\$11,354,415,000	\$289,313,000	2.6%
FED	1,548,933,200	1,755,430,400	1,755,269,400	1,755,269,400	1,755,269,400	206,336,200	13.3
PR	85,928,200	87,824,800	87,497,600	87,497,600	87,497,600	1,569,400	1.8
SEG	<u>105,553,600</u>	<u>112,104,600</u>	<u>115,104,600</u>	<u>115,104,600</u>	<u>115,104,600</u>	<u>9,551,000</u>	9.0
TOTAL	\$12,805,517,000	\$13,064,465,000	\$13,312,296,600	\$13,312,296,600	\$13,312,286,600	\$506,769,600	4.0%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
GPR	253.43	250.47	250.47	250.47	250.47	- 2.96
FED	309.19	301.89	301.89	301.89	301.89	- 7.30
PR	<u>84.64</u>	<u>81.69</u>	<u>81.69</u>	<u>81.69</u>	<u>81.69</u>	<u>- 2.95</u>
TOTAL	647.26	634.05	634.05	634.05	634.05	- 13.21

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 505]

Governor: Provide \$5,125,577,200 in 2015-16 and \$5,377,050,000 in 2016-17 for general and categorical school aids. Compared to the 2014-15 base level funding of \$5,241,687,000, school aids would decrease by \$116,109,800 (-2.2%) in 2015-16 and increase by \$135,363,000 (2.6%) in 2016-17. These proposed funding levels would represent annual changes to the prior year of -2.2% in 2015-16 and 4.9% in 2016-17.

Under the traditional definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and the center for the blind), the

bill would decrease state support from the base amount of \$6,149,875,000 in 2014-15 to \$6,139,815,100 in 2015-16 and increase it to \$6,391,287,900 in 2016-17. These proposed funding levels would represent annual changes to the prior year of -0.2% in 2015-16 and 4.1% in 2016-17.

Using the traditional definition of partial school revenues (the sum of state school aids and property taxes levied for school districts), the administration estimates that state support of partial school revenues would increase from 62.3% in 2014-15 to approximately 62.5% in 2015-16 and 63.8% in 2016-17. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

Joint Finance/Legislature: Provide \$5,244,540,400 in 2015-16 and \$5,444,611,300 in 2016-17 for general and categorical school aids. Compared to the Governor's recommendations, school aids would be increased by \$118,963,200 in 2015-16 and \$67,561,300 in 2016-17. Compared to the 2014-15 base year, school aids would increase by \$2,853,400 (0.1%) in 2015-16 and \$202,924,300 (3.9%) in 2016-17. These proposed funding levels would represent annual changes to the prior year of 0.1% in 2015-16 and 3.8% in 2016-17.

Using the traditional definition of state support of K-12 education, total funding would increase from \$6,149,875,000 in 2014-15 to \$6,258,778,300 in 2015-16 and \$6,458,849,200 in 2016-17. These funding levels would represent annual changes to the prior year of 1.8% in 2015-16 and 3.2% in 2016-17. With the changes K-12 school finance adopted by Joint Finance and the Legislature, it is estimated that state support of partial school revenues would be 62.9% in 2015-16 and 63.9% in 2016-17. A summary of the funding amounts for state support under the recommendations of the Governor and Joint Finance/Act 55 is presented in Table 1.

TABLE 1
State Support for K-12 Education

	<u>2014-15</u> <u>Base Year</u>	<u>Governor</u>		<u>Joint Finance/Act 55</u>	
		<u>2015-16</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
General School Aids	\$4,492,790,500	\$4,492,790,500	\$4,600,928,000	\$4,492,790,500	\$4,600,928,000
Categorical Aids	748,896,500	632,786,700	776,122,000	751,749,900	843,683,300
School Levy Tax Credit	747,400,000	853,000,000	853,000,000	853,000,000	853,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>10,788,000</u>	<u>11,237,900</u>	<u>11,237,900</u>	<u>11,237,900</u>	<u>11,237,900</u>
Total	\$6,149,875,000	\$6,139,815,100	\$6,391,287,900	\$6,258,778,300	\$6,458,849,200
Change to Prior Year:					
Amount		-10,059,900	251,472,800	108,903,300	200,070,900
Percent		-0.2%	4.1%	1.8%	3.2%
Change to Base:					
Amount		-10,059,900	241,412,900	108,903,300	308,974,200
Percent		-0.2%	3.9%	1.8%	5.0%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Act 55 funding level for each general and categorical school aid program as

compared to the 2014-15 base funding level. The provisions relating to individual school aid programs are summarized in the items that follow.

TABLE 2
State Support for K-12 Education by Fund Source

	2014-15 <u>Base Year</u>	<u>Governor</u>		<u>Joint Finance/Act 55</u>	
		<u>2015-16</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
GPR					
General School Aids	\$4,492,790,500	\$4,492,790,500	\$4,600,928,000	\$4,492,790,500	\$4,600,928,000
Categorical Aids	701,953,400	578,095,000	719,630,300	704,937,300	794,070,700
School Levy Tax Credit	747,400,000	853,000,000	853,000,000	853,000,000	853,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>10,788,000</u>	<u>11,237,900</u>	<u>11,237,900</u>	<u>11,237,900</u>	<u>11,237,900</u>
GPR Subtotal	\$6,102,931,900	\$6,085,123,400	\$6,334,796,200	\$6,211,965,700	\$6,409,236,600
PR					
Categorical Aids	1,507,500	1,507,500	1,507,500	1,507,500	1,507,500
SEG					
Categorical Aids	<u>45,435,600</u>	<u>53,184,200</u>	<u>54,984,200</u>	<u>45,305,100</u>	<u>48,105,100</u>
Total State Support - All Funds	\$6,149,875,000	\$6,139,815,100	\$6,391,287,900	\$6,258,778,300	\$6,458,849,200

TABLE 3
General and Categorical School Aid by Funding Source
2014-15 Base Year Compared to Act 55

Agency	Type and Purpose of Aid	2014-15	Act 55		2015-17 Change over 2014-15 Doubled	
		Base Year	2015-16	2016-17	Amount	Percent
	General Aid					
DPI	General School Aids	\$4,475,960,500	\$4,475,960,500	\$4,584,098,000	\$108,137,500	1.2%
	High Poverty Aid	16,830,000	16,830,000	16,830,000	0	0.0
	Total General Aid	\$4,492,790,500	\$4,492,790,500	\$4,600,928,000	\$108,137,500	1.2
	Categorical Aid--GPR Funded					
DPI	Special Education	\$368,939,100	\$368,939,100	\$368,939,100	\$0	0.0%
	High-Cost Special Education Aid	3,500,000	3,500,000	8,500,000	5,000,000	71.4
	Supplemental Special Education Aid	1,750,000	1,750,000	1,750,000	0	0.0
	Spec. Ed. Transitions Incentive Grants	0	0	100,000	100,000	N.A.
	Per Pupil Aid	126,975,000	126,842,300*	211,248,200	84,140,500	33.1
	SAGE***	109,184,500	109,184,500	109,184,500	0	0.0
	SAGE -- Debt Service	133,700	133,700	133,700	0	0.0
	Pupil Transportation	23,703,600	23,954,000	23,954,000	500,800	1.1
	High Cost Transportation	5,000,000	7,500,000	7,500,000	5,000,000	50.0
	Sparsity Aid	13,453,300	17,674,000	17,674,000	8,441,400	31.4
	Bilingual-Bicultural Education	8,589,800	8,589,800	8,589,800	0	0.0
	Tuition Payments	8,242,900	8,242,900	8,242,900	0	0.0
	Head Start Supplement	6,264,100	6,264,100	6,264,100	0	0.0
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	0	0.0
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0
	County Children with Disabilities Educ. Boards	4,067,300	4,067,300	4,067,300	0	0.0
	Career and Technical Education Grants**	3,000,000	0	0	-6,000,000	-100.0
	School Breakfast	2,510,500	2,510,500	2,510,500	0	0.0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	0	0.0
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	0	0.0
	School Day Milk	617,100	617,100	617,100	0	0.0
	Aid for Transportation--Open Enrollment	434,200	434,200	434,200	0	0.0
	Cooperative Educational Service Agencies	260,600	0	0	-521,200	-100.0
	Gifted and Talented	237,200	237,200	237,200	0	0.0
	Supplemental Aid	100,000	100,000	100,000	0	0.0
	Aid for Transportation--Youth Options	17,400	17,400	17,400	0	0.0
DOA	Debt Service -- Tech. Infrastructure Bonding	2,052,300	1,458,400	1,085,900	-1,560,300	-38.0
	Total Categorical Aid--GPR Funded	\$701,953,400	\$704,937,300	\$794,070,700	\$95,101,200	6.8%
	Categorical Aid--PR Funded					
DPI	AODA	\$1,284,700	\$1,284,700	\$1,284,700	\$0	0.0%
	Tribal Language Revitalization Grants	222,800	222,800	222,800	0	0.0
	Total Categorical Aid--PR Funded	\$1,507,500	\$1,507,500	\$1,507,500	\$0	0.0%
	Categorical Aid--SEG Funded					
DPI	School Library Aids	\$34,000,000	\$36,000,000	\$38,000,000	\$6,000,000	8.8%
DOA	Educational Telecommunications Access Support	11,105,100	9,105,100	10,105,100	-3,000,000	-13.5%
UW	Environmental Education--Forestry	200,000	200,000	0	-200,000	-50.0
	Environ. Educ. -- Environmental Assessments	130,500	0	0	-261,000	-100.0
	Total Categorical Aid--SEG Funded	\$45,435,600	\$45,305,100	\$48,105,100	\$2,539,000	2.8%
	Total Categorical Aid--All Funds	\$748,896,500	\$751,749,900	\$843,683,300	\$97,640,200	6.5%
	Total School Aid--All Funds	\$5,241,687,000	\$5,244,540,400	\$5,444,611,300	\$205,777,700	2.0%

*Per pupil aid for 2015-16 enrollments would be paid on a one-time delayed basis in July of 2016.

**Funding for this purpose may be available to school districts from the Department of Workforce Development.

***Renamed the Achievement Gap Reduction (AGR) program under 2015 Act 53.

2. GENERAL SCHOOL AIDS [LFB Paper 505]

GPR	\$108,137,500
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Governor/Legislature: Provide \$108,137,500 in 2016-17 for general school aids. Under current law, the general school aids appropriation funds equalization, integration, and special adjustment aid. General school aids funding would remain at base level funding of \$4,475,960,500 in 2015-16 and increase to \$4,584,098,000 in 2016-17. This would represent an increase of 2.4% in 2016-17 compared to the prior year.

3. INTEGRATION AID (CHAPTER 220) [LFB Paper 506]

Governor: Prohibit any pupils from participating in the Chapter 220 program unless those pupils were participating in the program in the 2014-15 school year.

Specifically, beginning on the effective date of the bill, prohibit a school board from entering into a written agreement with another school board under the interdistrict transfer program, except to enter into an annual written agreement with another board on behalf of a pupil that attended a public school under a written agreement in the 2014-15 school year. Prohibit a school board from allowing a pupil to attend a school under the intradistrict transfer program unless the pupil attended a school under the program in the 2014-15 school year. Specify that pupil transfers that qualify for aid under a plan implemented by a school board to reduce racial imbalance in a school district or attendance area and part-time pupil transfers would be permitted only for pupils attending under the plan in the 2014-15 school year. Specify that a school district would only receive integration aid for pupils who attended a public school in the school district under an eligible transfer agreement or plan in the 2014–15 school year.

Under the integration aid program (commonly called Chapter 220 after the 1975 session law), the state provides funds as an incentive for districts to voluntarily improve racial balance within and between school districts. To be eligible, a district must transfer pupils between attendance areas or districts with certain concentrations of minority or nonminority pupil populations.

Integration aid is calculated through two different formulas depending upon whether a pupil is transferred within a district (intradistrict) or from one district to another (interdistrict). Intradistrict aid is equal to the district's equalization aid per pupil multiplied by 25% of the number of eligible transfer pupils. In 2014-15, four districts (Milwaukee, Racine, Madison, and Wausau) are eligible for \$44.8 million in gross intradistrict aid. As part of the neighborhood schools initiative in 1999 Act 9, a hold harmless was established on the amount of intradistrict aid that would be received by the Milwaukee Public Schools, which is generally equal to the greater of: (a) the 1998-99 aid amount (\$32.9 million); or (b) the actual aid entitlement generated under the formula. This hold harmless would no longer apply in the year after the last principal and interests payments are made on the bonds issued pursuant to Act 9. The last debt service payment is scheduled to be made in 2023-24.

Under an interdistrict transfer agreement, the receiving district is paid an amount equal to its average net cost per pupil for each transfer accepted. In 2014-15, Milwaukee and 21 suburban districts are eligible for \$20.5 million in gross interdistrict aid. The sending school

district counts pupils transferred to another district as 0.75 pupil for revenue limit and general aid purposes.

Integration aid funding is provided as a first draw from the general school aids appropriation. Thus, to the extent that less integration aid would be distributed under the bill provisions, more aid would be distributed through the equalization formula. Under the bill, it is possible that a four-year-old kindergarten pupil participating in the program in the 2014-15 school year could continue in the program until 2027-28.

Joint Finance/Legislature: Modify the Governor's recommendation to: (a) specify that a pupil currently attending a K-8 district under the Chapter 220 program would be allowed to continue to attend the associated union high school (UHS) district under the program; and (b) delay the beginning of the phase-out of the program by one year by prohibiting pupils from participating unless they were in the program in the 2015-16 school year. In addition, create a hold harmless provision under which a district's integration aid entitlement in a given year could not be less than an amount equal to their 2014-15 aid entitlement multiplied by the following amounts in the indicated year: (a) 87.5% in 2015-16; (b) 75% in 2016-17; (c) 62.5% in 2017-18; (d) 50% in 2018-19; (e) 37.5% in 2019-20; (f) 25% in 2020-21; and (g) 12.5% in 2021-22.

[Act 55 Sections: 3412 thru 3419]

4. SCHOOL LEVY TAX CREDIT [LFB Paper 595]

Governor: Increase the school levy tax credit distribution beginning in the 2015(16) property tax year by \$105.6 million, above base level funding of \$747.4 million. Specify that the \$105.6 million increase for the 2015(16) property tax year would be paid on a delayed basis on the fourth Monday of July in the 2016-17 fiscal year, consistent with the payment of base funding under current law. Specify that, beginning with the 2016(17) property tax year, \$105.6 million in funding for the credit would be paid on a current year basis on the fourth Monday of June in the current fiscal year, rather than on a delayed basis in the following fiscal year.

Joint Finance/Legislature: Delete the bill provisions under which a portion of the school levy tax credit would begin to be paid on a current year basis beginning with the 2016(17) property tax year. Under Joint Finance, all funding for the school levy tax credit, including the \$105.6 million increase beginning with the 2015(16) distribution, will be paid on a delayed basis on the fourth Monday of July of the subsequent fiscal year, as under current law. [See "Shared Revenue and Tax Relief -- Property Tax Credits" for more information on this item.]

5. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 505]

Governor/Legislature: Maintain current law as established in the 2013-15 biennial budget (2013 Act 20) under which there would be no per pupil adjustment under revenue limits in the 2015-16 school year and each year thereafter.

6. REVENUE LIMIT FOR CONSOLIDATED SCHOOL DISTRICTS

Joint Finance/Legislature: Delete current law provisions for consolidation aid in the sixth and seventh years after consolidation. Instead, specify that a school district that received consolidation aid in the 2014-15 school year would receive a recurring revenue limit adjustment in the 2015-16 school year equal to 75% of the district's 2014-15 consolidation aid. (The Chequamegon and Chetek-Weyerhaeuser School Districts would be eligible for this adjustment.) Specify that, for future consolidations, the consolidated district would receive a recurring revenue limit adjustment in the sixth year after consolidation equal to 75% of the consolidation aid that is outside of revenue limits received by the district in the fifth year after consolidation.

Under current law, in calculating equalization aid for a consolidated district for the first five years after the consolidation, the cost ceilings and guaranteed valuations in the formula are increased by 15%, which has the effect of providing additional aid to consolidated districts. In the sixth and seventh years, these factors are increased by 10% and 5%, respectively. In each of the first five years after consolidation, districts are also eligible for special adjustment aid under which the new district is guaranteed to receive at least as much general aid as the separate districts received in the year prior to consolidation. If a consolidated district receives this special adjustment aid in the fifth year after consolidation, that district is guaranteed to receive an amount in the sixth and seventh years equal to 66% and 33% of the fifth-year amount, respectively.

[Act 55 Sections: 3395t, 3395v, 3396p, and 3421k]

7. ENVIRONMENTAL REMEDIATION ON SCHOOL DISTRICT PROPERTY

Joint Finance/Legislature: Allow a school district to issue to up \$2,000,000 in debt for the costs associated with an environmental remediation project on district-owned property under a DNR and EPA approved remediation plan. Specify that the debt issuance would not be subject to current law referendum requirements, that the associated debt service costs would not be subject to the district's revenue limit, and that any debt service costs would be excluded from shared costs under the equalization aid formula.

[Act 55 Sections: 1006t, 2010e thru 2012m, 3395m, 3421r, and 3421t]

Categorical Aids

1. PER PUPIL AID [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$112,042,200	\$196,182,700	\$84,140,500

Governor: Delete \$126,975,000 in 2015-16 and provide \$14,932,800 in 2016-17 relative to base level funding of \$126,975,000 for per pupil aid. Under the bill, no funding would be provided for this aid in 2015-16 and \$141,907,800 would be provided in 2016-17. Based on current enrollment, an estimated \$165 to \$170 per pupil aid payment would be made in 2016-17 under the bill provisions.

Change the per pupil aid appropriation from a sum sufficient to a sum certain appropriation. Specify that aid per pupil in a given fiscal year would be calculated by dividing the appropriated amount by the total number of pupils enrolled in all school districts in that school year, and that each district's total payment would be determined by multiplying that per pupil amount by the number of pupils enrolled in the district in the current year. For the purpose of submitting its agency budget request for the 2017-19 biennial budget bill, require DPI to submit information concerning the per pupil aid appropriation as though the amount of that appropriation for 2016-17 was zero.

Under current law, per pupil aid is paid from a sum sufficient appropriation from which each district receives a \$150 per pupil payment in 2014-15 and each year thereafter, outside of revenue limits. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment.

Joint Finance/Legislature: Provide \$126,842,300 in 2016-17 for per pupil aid payments based on 2015-16 enrollments. Specify that, on a one-time basis, this aid be paid on a delayed basis on the second Monday in July of 2016. Specify that this delayed payment would be considered as moneys appropriated in 2015-16 for the purposes of calculating an increase in categorical aid funding per pupil for indexing the payments for the choice, charter, and open enrollment programs. Provide an additional \$69,340,400 in 2016-17 for per pupil aid payments based on 2016-17 enrollments. Specify that this aid be paid on a current year basis, as under current law.

Also, delete the provisions that: (a) change the per pupil appropriation from sum sufficient to a sum certain; (b) modify the calculation of the aid payment; and (c) require that DPI submit information in its 2017-19 agency budget request as though the amount of the appropriation for 2016-17 was zero.

As a result, under Joint Finance, there would be a \$150 per pupil aid payment for the 2015-16 school year and a \$250 per pupil aid payment for the 2016-17 school year and each year

thereafter.

[Act 55 Sections: 3216d and 3216f]

2. SPARSITY AID [LFB Paper 511]

GPR	\$8,441,400
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Governor/Legislature: Provide \$4,220,700 annually above base level funding of \$13,453,300 for sparsity aid for small, rural districts. Delete current law requirement that at least 20% of a school district's pupils must qualify for free or reduced-price lunch for the district to qualify for sparsity aid.

Under current law, districts qualify for \$300 per pupil if, in the prior school year, they met the free or reduced-price lunch criteria, had an enrollment of less than 725 pupils, and had a population density of less than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. Based on prior year data, in its agency budget request DPI estimated that in 2014-15, aid will be prorated at 79%, or \$236 per pupil, and 133 districts will be eligible for aid. DPI indicated that an additional five districts would have qualified for aid in 2014-15 had the free and reduced price lunch criteria not applied. The funding in this item would provide full funding for the program based on DPI estimates.

[Act 55 Section: 3215]

3. HIGH COST TRANSPORTATION AID [LFB Paper 512]

GPR	\$5,000,000
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Governor/Legislature: Provide \$2,500,000 annually above base level funding of \$5,000,000 for high-cost transportation aid for districts with a transportation cost per member greater than 150% of the state average. Specify that only those districts with a pupil population density of 50 pupils per square mile or less, calculated by dividing the school district's membership in the previous school year by the district's area in square miles, would be eligible to receive aid. In 2013-14, 128 districts qualified for aid. DPI indicates that four districts would lose their eligibility based on the pupil population density eligibility criterion.

[Act 55 Sections: 3407 thru 3410]

4. PUPIL TRANSPORTATION -- INDEPENDENT "2R" CHARTER SCHOOLS

GPR	\$500,800
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Governor/Legislature: Provide \$250,400 annually above base level funding of \$23,703,600 in the appropriation for pupil transportation aid.

Allow the operator of an independent "2r" charter school to provide transportation to pupils attending the charter school and claim state aid from the appropriation for pupil transportation aid. The additional funding provided would fund reimbursement of transportation costs for pupils attending independent "2r" charter schools.

Require that the operator of an independent "2r" charter school that provided pupil transportation submit an annual report to DPI that would include the number of pupils for whom transportation was provided and any other information related to pupil transportation required by DPI. The report would be due on a date selected by DPI, no earlier than the end of the school year and no later than September 1. Independent "2r" charter school operators would be subject to the same reimbursement rates and payment date as school districts and, like school districts, would be eligible for additional transportation funding if funding in the appropriation for pupil transportation aid exceeded the amount of approved claims.

Under current law, only public school districts are eligible for pupil transportation aid.

[Act 55 Sections: 3280, 3400 thru 3402, 3405, and 3406]

5. PUPIL TRANSPORTATION -- REIMBURSEMENT RATES

Governor/Legislature: Provide that the reimbursement rate for pupils transported over 12 miles between home and school would be increased from \$275 to \$300 per pupil beginning with the 2015-16 school year. No funding is associated with this change, as it is estimated that base level funding would be sufficient to fund the higher rate. The current law reimbursement rates are shown in the following table.

<u>Mileage</u>	<u>Current Law (Full Year)</u>
0-2 (hazardous area)	\$15
2-5	35
5-8	55
8-12	110
Over 12 miles	275

[Act 55 Section: 3403]

6. DELETE CAREER AND TECHNICAL EDUCATION INCENTIVE GRANT [LFB Paper 730]

GPR	- \$6,000,000
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Governor: Delete \$3,000,000 annually to eliminate base level funding for grants to school districts for career and technical education. Under the program, school districts with an industry-recognized certification program approved by the State Superintendent are eligible for a payment of \$1,000 for each pupil who graduates from a high school in the district with an industry-recognized certificate in addition to a high school diploma or technical education diploma.

Delete current law requiring the State Superintendent to do the following: (a) annually identify industries and occupations with workforce shortages or shortages of adequately trained entry-level workers, with the input of the Department of Workforce Development and the Wisconsin Technical College System; (b) inform school districts of the identified industries and

occupations; (c) publish the identified industries and occupations on DPI's Internet site; and (d) approve industry-recognized certification programs designed to mitigate workforce shortages in any of the identified industries or occupations.

Under the bill, additional funding would be provided in a workforce training grant appropriation under the Department of Workforce Development (DWD) and career and technical education incentive grants would be added as an allowable grant. See the summary entry under "Workforce Development" for more information.

Joint Finance/Legislature: Modify the Governor's recommendation to require that DWD make awards of at least \$3,000,000 annually to school districts, with \$1,000 awarded to districts for each pupil who meets the criteria established for the DPI program under current law. See the summary entry under "Workforce Development" for more information.

[Act 55 Sections: 564 and 3193b thru 3193bi]

7. REESTIMATE SCHOOL LIBRARY AIDS

SEG	\$6,000,000
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Governor/Legislature: Reestimate school library aids by \$2,000,000 in 2015-16 and \$4,000,000 in 2016-17. Base level funding is \$34,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

8. DELETE STATE AID TO COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESAS) [LFB Paper 513]

GPR	- \$521,200
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Governor: Delete \$260,600 annually to eliminate base level funding for state aid to the 12 CESAs. Even though no funding would be provided, the bill would modify the current appropriation to specify that state payments may not exceed \$25,000 annually to each CESA to match any federal funds received by the CESA for vocational education administration.

Delete current law specifying that state aid is provided for the maintenance and operation of the office of the Board of Control and CESA administrator and requiring each CESA to submit an annual report to the State Superintendent by August 1 including a detailed certified statement of its expenses for the prior year and showing that state aid was spent according to the statutory guidelines. Delete current law specifying that a CESA's state aid cannot exceed the CESA's actual expenditures in the prior year, as certified in the annual report.

Provide that beginning in 2015-16, each school board of a district participating in a CESA would pay its proportional share of the cost of the maintenance and operation of the office of the Board of Control and CESA administrator and would match any federal funds received by the CESA for vocational education administration. Require the Board of Control to determine each district's proportional share of the cost of the office's maintenance and operation and federal match amount.

Delete current law establishing the state reimbursement for the cost of the CESA

administrator's salary as equal to the lesser of the actual salary paid or the maximum of the salary range for a DPI supervisor under the State Superintendent.

Delete current law requiring each school board that participates in a CESA to pay that CESA's Board of Control an amount equal to the amount of state aid paid to the CESA in that year multiplied by the school district's proportion of the average daily pupil membership of the CESA.

Joint Finance/Legislature: Delete the provision specifying that each school board of a district participating in a CESA would pay its proportional share of the cost of the maintenance and operation of the office of the Board of Control and CESA administrator and would match any federal funds received by the CESA for vocational education administration. Delete the provision requiring the Board of Control to determine each district's proportional share of those costs.

[Act 55 Sections: 565, 3231, 3233, 3238, 3239, and 3242]

9. SCHOOL DISTRICT PARTICIPATION IN COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESAS) [LFB Paper 513]

Governor/Legislature: Allow any school district to withdraw from a CESA after adopting a resolution to do so and immediately notifying the CESA's Board of Control and the State Superintendent. As a result, specify that territory from a school district that withdrew from a CESA could be outside of a CESA area. Provide that a resolution adopted prior to January 15 would be effective on the following July 1, while a resolution adopted after January 15 would be effective on the second following July 1. If a school district adopted a resolution to withdraw from a CESA within 30 days of the effective date of the bill, the resolution would be effective on July 1, 2015.

Allow the school board of a school district that withdrew from a CESA and was not in any other CESA to contract with DPI for programs and services the district would be receiving if it were part of a CESA.

Provide that a school district that withdrew from a CESA could rejoin the CESA by adopting a resolution to do so and immediately notifying the Board of Control and the State Superintendent of the resolution to rejoin.

Provide that no cost could be assessed against a school district that had withdrawn from a CESA for expenses incurred while the district was not part of the CESA.

Under current law, only a school district in CESA 1, which includes districts in the southeastern part of the state including the Milwaukee area, can withdraw from a CESA.

[Act 55 Sections: 3230, 3234 thru 3237, 3240, and 9134(2)]

10. ALTERNATIVE DETERMINATION OF PUPIL ECONOMIC STATUS

Governor/Legislature: Allow the State Superintendent to use an alternative data collection method established by DPI to identify pupils who satisfy the federal income eligibility criteria for a free or reduced-price lunch. Under current law, DPI uses applications for free or reduced price lunch to determine pupil eligibility for several state aid programs and for pupil demographic analysis. Pupils qualify for a free lunch with a family income equal to less than 130% of the federal poverty line, and for a reduced price lunch with a family income equal to between 130% and 185% of the federal poverty line. Under the federal community eligibility provision, beginning in the 2014-15 school year, eligible local education agencies and schools can provide free meals to all pupils in high poverty schools without collecting household applications to determine pupil eligibility for free and reduced price meals.

Modify current law to allow the alternative data collection method to be used to determine pupil, school, or district eligibility for the following programs: (a) the school day milk program, which provides milk to low-income pupils in preschool through fifth grade; (b) grants for teacher certification or master educator licensure, which provides larger grants to teachers in schools in which at least 60% of pupils are low-income; (c) pre-college scholarships for low-income pupils who enroll in classes or programs designed to improve academic skills necessary for success in postsecondary school; (d) the student achievement guarantee in education (SAGE) program, which provides school districts with up to \$2,250 for each low-income pupil in grades K-3 if the school reduces class sizes and meets other requirements; (e) aid to reimburse transportation costs incurred by the parent or guardian of a low-income open enrollment pupil; (f) aid to reimburse transportation costs incurred by the parent or guardian of a pupil enrolled in course options or youth options, giving priority to low-income pupils; (g) full-day five-year-old kindergarten programs in MPS enrolling only low-income pupils; (h) advanced placement examinations paid for by a pupil's school board; (i) transportation provided to low-income pupils who do not otherwise qualify for transportation; and (j) high poverty aid, distributed to districts at which at least 50% of pupils are low-income. Allow school districts to use the alternative data collection method to report the number of low-income pupils who transferred to the district under the Chapter 220 school integration program.

[Act 55 Sections: 3188, 3192, 3212, 3213, 3302, 3307, 3310, 3311, 3387, 3389, 3391, 3398, and 3420]

11. HIGH-COST SPECIAL EDUCATION AID

GPR	\$5,000,000
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Joint Finance/Legislature: Provide \$5,000,000 GPR in 2016-17 for high-cost special education aid. Specify that applicants could qualify for reimbursement of up to 70% of eligible costs, rather than 90% as under current law.

Under the current law program, school districts, CESAs, County Children with Disability Education Boards (CCDEBs), and independent charter schools are eligible for high-cost aid for 90% of non-administrative costs above \$30,000 for an individual pupil in the previous school year, if the costs were not reimbursed by state special education categorical aid, federal Individuals with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient,

payments are prorated.

[Act 55 Section: 3229h]

12. SPECIAL EDUCATION TRANSITIONS INCENTIVE GRANTS

GPR	\$100,000
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Joint Finance/Legislature: Provide \$100,000 GPR beginning in 2016-17 in a new appropriation for special education transitions incentive grants.

Specify that school districts or independent "2r" charter schools would receive \$1,000 for each pupil who in 2014-15 or 2015-16 attended a school in the district or the charter school and who had an individualized education program (IEP) in place, and who meets one of the following criteria at the time the school district or charter school operator applies for an incentive grant: (a) the individual enrolled in a higher education program within one year of leaving high school; (b) the individual is, or was, competitively employed within one year of leaving high school; or (c) the individual enrolled in another postsecondary education or training program within one year of leaving high school. Define higher education program as a four-year program at a college or university, a two-year program at a college or community college, or a two-year program at a technical college. Define competitively employed as 90 days of cumulative or consecutive work paying minimum wage or greater for an average of at least 20 hours per week in a setting with others who are not disabled. Define another postsecondary education or training program as a high school completion or equivalency program, vocational school, apprenticeship or short-term training program, on-the-job training program, adult education program, or program other than a two-year program at a vocational or technical school.

Specify that aid would be prorated if the appropriation were insufficient to meet the eligible district claims.

[Act 55 Sections: 563m and 3229p]

13. SUPPLEMENTAL SPECIAL EDUCATION AID FOR DISTRICT WITH SPECIAL CIRCUMSTANCES

Joint Finance/Legislature: Specify that funds remaining in the appropriation for supplemental special education aid at the end of the 2014-15 fiscal year would be distributed to a school district that meets the following requirements: (a) a revenue limit per pupil below the state average; (b) a membership of less than 2,000 pupils; (c) the district qualified for supplemental special education aid in 2013-14; and (d) the district experienced a natural disaster, including a fire, that caused the district's total costs to increase such that special education costs were less than 16% of the district's total costs in that year.

Specify that a district could qualify for supplemental special education aid in the 2015-16 school year if it meets current law criteria or the following alternative criteria: (a) a revenue limit per pupil below the state average; (b) a membership of less than 2,000 pupils; (c) the district

qualified for supplemental special education aid in 2013-14; and (d) the district experienced a natural disaster, including a fire, that caused the district's total costs to increase such that special education costs were less than 16% of the district's total costs in the 2014-15 school year.

Under current law, a district must meet three criteria to qualify for supplemental special education aid, based on prior year data: (a) a revenue limit below the statewide average; (b) a membership of less than 2000 pupils; and (c) special education costs equal to more than 16% of the district's total costs. In 2014-15, \$1,750,000 is appropriated for the program, and it is estimated that 11 districts will qualify for \$1,650,000 in aid based on these criteria. This provision would apply to the Oconto Unified School District, which experienced a fire that damaged a school building in April, 2014.

[Act 55 Sections: 3229j, 3229m, and 3229n]

Choice, Charter, and Open Enrollment

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- CURRENT LAW REESTIMATE [LFB Paper 520]

GPR	\$21,507,400
Aid Reductions	<u>- 12,553,900</u>
Net GPR	\$34,061,300

Governor/Legislature: Provide \$7,082,200 in 2015-16 and \$14,425,200 in 2016-17 over the base year funding of \$190,483,300 for the Milwaukee private school choice program to reflect changes in pupil participation under current law. This would reflect an increase in pupil participation from 25,905 pupils in 2014-15 to an estimated 26,905 pupils in 2015-16 and 27,905 pupils in 2016-17.

Under current law, the estimated cost to the state of the payments from the Milwaukee choice program appropriation is partially offset by a reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 28.8% of the total cost of the program in 2015-16 and 25.6% of the total cost of the program in 2016-17. The aid reduction will decrease by 3.2 percentage points each year until it is phased out in 2024-25. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction (less the amount of high poverty aid paid to MPS).

Under the bill, the aid reduction for MPS would decrease by \$4,055,800 in 2015-16 and \$8,498,100 in 2016-17 from the base choice reduction of \$60,954,700 as a result of this reestimate. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of \$11,138,000 in 2015-16 and \$22,923,300 in 2016-17.

2. **RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- CURRENT LAW REESTIMATE** [LFB Paper 520]

GPR	- \$4,288,200
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Governor/Legislature: Reduce funding for the Racine and statewide private school choice programs by \$2,144,100 annually from base year funding of \$21,978,800. This would reflect actual expenditures from 2014-15, and excludes pupils new to the programs after 2014-15.

3. **MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- PER PUPIL PAYMENTS** [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	\$3,336,600	\$3,336,600
Aid Reduction	<u>0</u>	<u>864,500</u>	<u>864,500</u>
Net GPR	\$0	\$2,472,100	\$2,472,100

Governor: Set the maximum per pupil payment for the Milwaukee private school choice program equal to \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12 in 2015-16 and 2016-17. Set the maximum per pupil payment in 2017-18 and any year thereafter equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Under current law, the 2014-15 per pupil payment equals \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12, with annual increases beginning in 2015-16 equal to the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amounts would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

Joint Finance/Legislature: Delete the bill provision delaying the current law indexing mechanism that would increase the choice payment in each year beginning in 2015-16 by the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. As a result, choice program per pupil payments would increase to an estimated \$7,222 for a K-8 pupil and \$7,868 for a 9-12 pupil in 2015-16 and \$7,330 for a K-8 pupil and \$7,976 for a 9-12 pupil in 2016-17 (an increase of \$12 in 2015-16 and \$108 in 2016-17 compared to the prior year).

Reestimate payments from the appropriation for the Milwaukee choice program based on the increased per pupil payment in 2015-16 and 2016-17 relative to the bill. Payments would increase by an estimated \$322,900 GPR in 2015-16 and \$3,013,700 GPR in 2016-17, while the aid reduction would increase by approximately \$93,000 in 2015-16 and \$771,500 in 2016-17.

The estimated net GPR effect is \$229,900 in 2015-16 and \$2,242,200 in 2016-17.

[Act 55 Section: 3376]

4. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- PER PUPIL PAYMENTS [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	\$678,000	\$678,000
Aid Reduction	<u>0</u>	<u>462,000</u>	<u>462,000</u>
Net GPR	\$0	\$216,000	\$216,000

Governor: Set the maximum per pupil payment for pupils in the Racine or statewide private school choice programs who participated in the program prior to the 2015-16 school year equal to \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12 in 2015-16 and 2016-17. For a pupil who participated in the Racine or statewide private school choice programs prior to the 2015-16 school year, set the maximum per pupil payment in 2017-18 and each year thereafter equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Under current law, the 2014-15 per pupil payment equals \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12, with annual increases beginning in 2015-16 equal to the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amounts would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

As under current law, these payments would be made from a separate GPR sum sufficient appropriation.

Joint Finance/Legislature: Delete the bill provision delaying the current law indexing mechanism that would increase the choice payment in each year beginning in 2015-16 by the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. As a result, choice program per pupil payments would increase to an estimated \$7,222 for a K-8 pupil and \$7,868 for a 9-12 pupil in 2015-16 and \$7,330 for a K-8 pupil and \$7,976 for a 9-12 pupil in 2016-17 (an increase of \$12 in 2015-16 and \$108 in 2016-17 compared to the prior year).

Reestimate payments from the appropriation for the Racine and statewide choice programs based on the increased per pupil payment in 2015-16 and 2016-17. Payments would increase by an estimated \$62,400 GPR in 2015-16 and \$615,600 GPR in 2016-17 relative to the bill, while the aid reduction to the school districts of residence of incoming choice pupils would increase by

approximately \$30,000 in 2015-16 and \$432,000 in 2016-17. The estimated net GPR effect is \$32,400 in 2015-16 and \$183,600 in 2016-17.

[Act 55 Section: 3333]

5. PRIVATE SCHOOL CHOICE PROGRAMS -- DELETE EDUCATIONAL COSTS LIMIT ON PAYMENT

Governor/Legislature: Delete provisions of current law that require that per pupil payments to private schools participating in the choice programs equal the lesser of: (a) the private school's operating and debt service cost per pupil that is related to educational programming, as determined by DPI; or (b) the maximum per pupil payment set in statute. Under the bill, per pupil payments to all private choice schools would equal the statutory amount. In 2012-13, 15 schools had a cost per pupil less than the maximum payment in that year of \$6,442, out of 123 private schools participating in the Milwaukee and Racine private school choice programs in that year.

[Act 55 Sections: 3333 thru 3335, 3340, and 3376 thru 3379]

6. DELETE PARTICIPATION LIMITS ON STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM [LFB Paper 520]

Governor: Delete current law that limits participation in the statewide private school choice program to 1,000 pupils in each school year, and that limits participation in the statewide choice program in any school district to one percent of the district's total enrollment. Provide that a pupil who was awarded a slot in a participating private school in 2015-16 or was on a waitlist in that year could not be required to reapply for a slot by the private school or by DPI. Delete current law governing the allocation of pupil slots under the statewide limit of 1,000 pupils. No additional funding is provided for these modifications because the bill would make changes to the Racine and statewide private school choice program funding mechanism to use moneys drawn from general school aids to fund new pupils in the programs.

Under the bill, schools would no longer be required to report to DPI the names and total number of pupils who had applied to attend the school under the private school choice program or the names and total number of those applicants whose siblings had also applied to attend the school under the choice program. DPI would no longer be required to establish or maintain a waiting list for pupils who were not accepted into the choice program as a result of the enrollment limit.

Joint Finance/Legislature: Delete provision and, instead, provide that the total number of pupils residing in a school district who could participate in the choice program in 2015-16 and 2016-17 would be limited to no more than 1% of the district's prior year membership, as defined under current law governing school finance. Specify that this participation limit would increase by one percentage point in each year beginning in 2017-18 until the limit reaches 10% of the district's prior year membership (2025-26). Beginning in 2026-27, no participation limit would apply.

Require each school to report the following to DPI following the close of the application period in each year: (a) the number of pupils who have applied to attend the school under the statewide choice program; and (b) the applicants who are siblings of pupils who have applied. If the number of applications from any district exceeds the participation limit for that district, require DPI to select pupils from that district by random draw, with preference given to pupils according to the pupil order of preference established in the bill, which would first apply in 2016-17 and is summarized in Item #8.

Require DPI to establish a waiting list in accordance with the preferences for each school district that received an application in excess of the participation limit. Require participating schools to notify DPI whenever a pupil will not attend, so that DPI could fill any available slot from the applicable waiting list.

Senate/Legislature: Specify that each private school participating in the statewide private school choice program would be required to report to DPI the number of pupils who have applied to attend the school under the choice program beginning in 2016, rather than 2015.

Specify that, in the 2016-17 and 2017-18 school years, if the total number of pupils residing in a district who apply to attend a private school under a choice program does not exceed the school district's pupil participation limit, DPI would be required to determine which pupils the private school could accept on a random basis, rather than each private school randomly selecting pupils.

[Act 55 Sections: 3323m, 3327, and 3328m]

7. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- INITIAL ELIGIBILITY REQUIREMENTS [LFB Paper 520]

Governor: Specify that a pupil would be eligible to begin participating in the statewide private school choice program in the 2015-16 school year or any year thereafter if the pupil was: (a) enrolled in a public school in his or her district of residence in the previous school year; (b) not enrolled in school in the previous school year; (c) was enrolled in a private school under the Racine or statewide private school choice programs in the previous school year; or (d) is enrolling in kindergarten, first grade, or ninth grade in the current year. Under current law, these requirements apply only to the Racine private school choice program.

Joint Finance/Legislature: Specify that the prior year attendance criteria would first apply in the 2016-17 school year.

[Act 55 Section: 3319]

8. PRIVATE SCHOOL CHOICE PROGRAMS -- STUDENT PRIORITY

Governor/Legislature: Allow a private school participating in the Milwaukee, Racine, or statewide private school choice programs to give preference in accepting applications to the following, listed in order of preference, beginning in the 2016-17 school year: (a) pupils who

attended the private school under the private school choice program during the previous school year; (b) siblings of pupils who attended the private school under the choice program during the previous school year; (c) pupils who attended a different private school under a private school choice program in the previous school year; (d) siblings of pupils who attended a private school under a private school choice program in the previous school year; and (e) siblings of pupils who have been randomly selected to attend a private school under the choice program but who did not attend a private school under a private school choice program in the previous school year.

Delete current law provisions defining pupils whose applications may be given priority. Under current law, private schools participating in the Milwaukee or Racine programs may give priority to any of the following: (a) pupils who attended the private school in the previous year; (b) siblings of pupils who attended the private school in the previous year; or (c) pupils who attended another private school under a private school choice program in the previous year. Current law allows a private school in the statewide program to give priority to a pupil who was not enrolled in school in the previous year or who was enrolled in a public school in the previous year and is applying to attend a participating private school in grades two through eight or 10 through 12. However, private schools participating in the statewide program have not applied these priorities because pupils have been randomly selected by DPI to equal the limited statewide pupil count.

[Act 55 Sections: 3324 thru 3326, 3368 thru 3373, and 9334(2)]

9. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- PER PUPIL PAYMENTS FOR NEW PARTICIPANTS IN 2015-16 AND THEREAFTER
[LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	\$47,800,000	\$47,800,000
Aid Reduction	<u>0</u>	<u>47,800,000</u>	<u>47,800,000</u>
Net GPR	\$0	\$0	\$0

Governor: Establish a procedure under which pupils in the Racine or statewide programs who begin participating in the programs in the 2015-16 school year or later would be funded from the general school aids appropriation [s. 20.255(2)(ac)]. Define an incoming choice pupil as a pupil who begins participating in these programs in 2015-16 or in any year thereafter. Specify that, for such an incoming choice pupil, DPI must pay to the private school in which the pupil is enrolled, on behalf of the pupil's parent or guardian, an amount from the general school aids appropriation determined as follows:

a. Calculate the equalization aid per pupil for each of the school districts in which an incoming choice pupil resides. (For the purposes of this calculation, a district's equalization aid payment would be the amount after the reduction for the independent "2r" charter school program, but before the reduction for the incoming choice pupils.)

b. Multiply each district's equalization aid per pupil by the number of incoming choice

pupils residing in the district.

c. Add all of the amounts determined under "b."

d. Divide the statewide total amount under "c." by the statewide total number of incoming choice pupils.

Require DPI to calculate the per pupil payment amount for incoming choice pupils each year by October 15, using the most accurate data available. Specify that any adjustments to that calculation would be made by increasing or decreasing the payment to a choice school made in September of the following school year. Specify that if the private school is not participating in the choice program in September of the following school year, DPI would make any adjustments to the calculation by making a separate payment to the school, or, if the adjustment is a decrease, require the school to refund to DPI any overpayment it received. Provide that, for an incoming choice pupil in 2015-16, DPI would base the September payment on the amount DPI estimated would be paid in 2015-16 using the best data available.

Provide that for pupils who began participating in the choice program in the 2015-16 school year or later, the summer school payment would be determined by multiplying the per pupil payment calculated based on equalization aid in the previous school year by 0.05. The summer school payment would be made out of the general school aids appropriation. Specify that payments for pupils who participated in the program prior to 2015-16 would be calculated by multiplying the per pupil payment applicable to those pupils by 0.05 and would be made out of the appropriation for the Racine and statewide choice programs.

Current law specifies that 25% of each per pupil payment is distributed to private choice schools in September, 25% in November, 25% in February, and 25% in May. Under the bill, for payments beginning in 2016-17, the September payment would be based on the per pupil payment in the previous school year. Any adjustment necessary to correct the amount paid to schools in September would be made by increasing or decreasing the amount paid in the following May.

Under current law, if a choice school closes after the third Friday in September in any school year, for each quarterly payment that was not paid to the private school in that school year, DPI pays the school district in which the pupil resides an amount equal to one-quarter of the amount determined by multiplying 0.616 times the per pupil payment. Specify that, for a pupil who began participating in the choice program in the 2015-16 school year or later, the per pupil payment used would be the amount determined based on equalization aid in the pupil's district of residence, the multiplier would be 0.667 rather than 0.616, and the payment would be made out of the appropriation for general school aids.

Require pupils or the parents or guardians of pupils participating in the Racine or statewide private school choice programs to notify DPI annually by the third Friday in September of the pupil's participation in the program using a form provided by DPI. Specify that the form would require the pupil or the pupil's parent or guardian to indicate the school year in which the pupil first participated in the choice program.

Require that private schools participating in the Racine or statewide choice programs annually provide to DPI the number of pupils attending the private school under the choice program who began participating in the program prior to the 2015-16 school year and the number who began participating in 2015-16 or later.

Joint Finance/Legislature: Delete provision, except retain the notification requirements for parents and schools as summarized in the last two paragraphs above. Instead, specify that the amount that would be paid to private choice schools on behalf of each incoming choice pupil would be equal to the per pupil payment for continuing pupils in the Racine and statewide choice program in each year. Specify that payments would be made from the current GPR sum sufficient appropriation for these programs, and provide \$18,400,000 GPR in 2015-16 and \$29,400,000 GPR in 2016-17 in this appropriation for payments for incoming Racine and statewide program pupils.

Specify that each district's equalization aid would be reduced by an amount equal to the total amount paid by the state to Racine or statewide choice schools attributable to incoming choice pupils residing in that district in each year. If the district did not receive an equalization aid payment sufficient to cover the aid reduction, the balance would be reduced from other state aid received by the district. It is estimated that districts' state aid would be reduced by \$18,400,000 in 2015-16 and \$29,400,000 in 2016-17 related to payments for incoming pupils.

[Act 55 Sections: 3330, 3340g, 3352, 3358, 3395d, 3396n, 3398d, 3398f, and 3411s]

10. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- TREATMENT FOR EQUALIZATION AID [LFB Paper 520]

Governor: Specify that, for the purpose of calculating equalization aid beginning in the 2016-17 aid year, a school district's pupil membership would include the number of incoming choice pupils residing in the district who are attending a school participating in the Racine and statewide choice programs in the current school year and who did not participate in those programs before the 2015-16 school year, as reported to the Department by those schools. (A district's enrollment for revenue limit purposes would not include these choice pupils.)

Specify that the amount of general aid that a school district is eligible to be paid would be reduced by an amount equal to the district's general aid per pupil multiplied by the number of incoming choice pupils residing in the district, plus the total amount paid in the previous school year for incoming choice pupils who resided in the school district while attending summer school at a choice school during the summer of the previous year. Specify that districts would not be able to levy property taxes under revenue limits to offset this aid reduction.

Joint Finance/Legislature: Delete provision. Instead, specify that pupils who begin participating in the Racine or statewide private school choice programs in the 2015-16 school year or thereafter could be counted by their school district of residence for both general aids and revenue limit purposes. Specify that pupils would be fully counted by their school district of residence under revenue limits in the first year of their participation in the programs, and would no longer be counted following their last year in the program. For each year, specify that calculation would be made as a nonrecurring adjustment. As under current law for public school pupils, membership data

relating to Racine and statewide choice program pupils used in calculating general school aids would be from the prior year.

The amount of general aid that a school district is eligible to be paid in each year would be reduced by the amount paid to private choice schools attributable to incoming choice pupils residing in that district. Specify that districts could not levy to backfill the aid reduction.

[Act 55 Sections: 3340g, 3395d, 3396n, 3398d, 3411s, 3421p, and 3421t]

11. PRIVATE SCHOOL CHOICE PROGRAMS -- ASSESSMENTS

Governor: Modify current law to require only private schools attended by at least 20 private school choice program pupils to administer assessments to pupils attending under a choice program. Specify that beginning in the 2015-16 school year, a private school participating in a private school choice program would not be required to administer assessments adopted or approved by the State Superintendent or required for public school pupils under federal law if the governing body of the private school elected to administer an alternative assessment approved by the UW-Madison Value Added Research Center (VARC). Require a private school that chose to use an alternative assessment to notify DPI of its intent to administer an alternative assessment. If the private school maintains an Internet site, require that the school annually publish information on its Internet site about the statewide or alternative assessment that would be administered by the school.

If a private school administered an alternative assessment and the cost of that assessment exceeded the cost of the assessment adopted or approved by the State Superintendent for that grade, specify that the private school would be responsible for paying the difference between the cost of the alternative assessment and the assessment adopted or approved by the State Superintendent. Provide that the scores on the alternative assessment could be used as one criterion for promoting a pupil from 4th grade to 5th grade and from 8th grade to 9th grade.

Require private schools participating in a private school choice program to annually report to DPI the scores of choice pupils on all standardized tests adopted or approved by the State Superintendent or required for public school pupils under federal law for each of the previous five school years. Require a private school that administers an alternative assessment to submit the assessment results of its pupils to VARC to be reviewed and statistically equated to the scores of the pupil assessment adopted or approved by the State Superintendent. VARC would be required to provide the statistically equated assessment data to the governing body of the private school and to DPI for use in the school's accountability report.

Require that a private school participating in a choice program excuse private choice program pupils from participating in the assessment adopted or approved by the State Superintendent or an alternative assessment at the request of the pupil's parent or guardian. Provide that when determining the percentage of pupils attending a private school under the Milwaukee private school choice program who performed at designated proficiency levels on the statewide or alternate assessment, DPI would include only pupils who participated in the exam and would exclude pupils whose parent or guardian requested that they be excused from the test.

Joint Finance/Legislature: Modify the Governor's recommendations to specify that the provisions related to alternative assessments would apply only if a federal waiver was granted that would allow public schools, independent "2r" charter schools, and private choice schools to administer an alternative assessment instead of the statewide assessment selected by the State Superintendent. Specify that these provisions would apply in the first full school year after VARC submits a list of approved examinations to DPI.

[Act 55 Sections: 3253, 3255, 3256, 3258, 3261 thru 3263, 3266, 3269, 3270, 3353, 3356, 3380, and 3383]

12. MILWAUKEE AND RACINE PRIVATE SCHOOL CHOICE PROGRAMS -- INCOME ELIGIBILITY VERIFICATION

Governor/Legislature: Provide that the family income of a pupil who applies to attend a private school under the Milwaukee or Racine private school choice programs would not need to be verified if the pupil attended a private school under the statewide private school choice program in the previous school year. Under current law, a pupil is eligible to participate in the statewide private school choice program with a family income that does not exceed 185% of the federal poverty level, while a pupil is eligible to participate in the Milwaukee or Racine private school choice programs with a family income that does not exceed 300% of the federal poverty level. Family income for a pupil whose parents or guardians are married is reduced by \$7,000 before the verification is made.

[Act 55 Sections: 3317, 3318, 3363, and 3364]

13. PRIVATE SCHOOL CHOICE PROGRAMS -- SUMMER SCHOOL MEMBERSHIP REPORT

Governor/Legislature: Modify summer school pupil count requirements to specify that private schools participating in a choice program would report their summer daily attendance for each day of summer school on or before October 1 of each year. Delete statutory membership definitions that would no longer apply.

Under current law, choice schools must report their summer average daily membership equivalent for choice pupils and for all pupils in the school by October 15 of each year.

[Act 55 Sections: 3313 thru 3315, 3331, 3360 thru 3362, and 3374]

14. PRIVATE SCHOOL CHOICE PROGRAMS -- INDEPENDENT FINANCIAL AUDITS

Governor: Require the independent financial audit submitted by each private choice school to be prepared in accordance with generally accepted accounting principles, as modified by DPI. Require that the audit would include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for

future educational programming costs. Delete current law that specifies that the audit must be limited in scope to those records that are necessary for DPI to make payments to the school. These changes would first apply to audits of the 2015-16 school year.

Joint Finance/Legislature: Modify the Governor's recommendation to require that, beginning in the second school year in which a private school participates in the program, the audit include a copy of a management letter prepared by the auditor. Require that the independent auditor review any concerns raised in the private school's management letter.

Provide that if an independent auditor engaged to evaluate the private school's fiscal and internal control practice determines that the governing body of the private school has not taken reasonable actions to remedy any concerns raised in the management letter, the private school must submit a report to DPI prepared by the independent auditor that includes the auditor's findings related to the governing body's actions to remedy any concerns raised in the management letter for the previous school year. The report would be submitted with the school's independent financial audit.

Specify that a negative reserve balance alone is not evidence that the private school does not have the financial ability to continue operating or that the private school does not follow sound fiscal and internal control practices.

Require that the independent financial audit be prepared in accordance with generally accepted accounting principles, with allowable modifications for long-term fixed assets acquired before 2014. Require that the audit fairly presents the private school's eligible education expenses, and includes a calculation of the private school's net eligible education expenses and a calculation of the balance of the private school's fund for future eligible education expenses. Define eligible education expenses as all direct and indirect costs associated with a private school's educational programming for pupils enrolled in grades kindergarten through 12 that are reasonable for the private school to achieve its educational purposes, as determined by the governing body of the private school and reviewed by an independent auditor. Specify that these expenses could include expenses related to management, insurance, transportation, extracurricular programming and activities, facility and equipment costs, development expenses, and programming that provides child care services before school, after school, or both before and after school.

Specify that if a private school participating in a choice program is part of an organization, and the private school and the organization share assets, liabilities, or eligible education expenses, the private school may submit an audit of the private school or of the organization of which it is a part. If a private school is part of an organization with which it shares assets, liabilities, or educational expenses and submits an audit of only the private school, specify that the independent auditor must use his or her professional judgment to allocate any shared assets, liabilities, and eligible education expenses between the organization and the private school.

Specify that each private school participating in a choice program would be required to submit the independent financial audit by October 15 following a school year in which the school participated in the program. Require DPI to certify the financial audit within 90 days after receiving the audit. Specify that during the 90 day period between receipt and certification, DPI's contact with the auditor would be required to be limited to a single written communication that may include only

matters that individually impact the private school's financial statement by an amount that is greater than 1% of the total amount the private school received in choice program payments in the previous school year. Require that an auditor who receives a written communication from DPI respond within 15 days of receiving the communication.

Specify that if a private school participating in a choice program has a cash or investment reserve balance that is greater than 50% of the total amount the private school received in choice program payments in the previous school year, the governing body of the private school would be required to approve a plan for how it would use the amount of cash or investment reserve that exceeds 50% of the total amount the private school received in choice program payments in the previous school year.

Delete the provisions that would: (a) require a financial audit to be prepared in accordance with generally accepted accounting principles as modified by DPI; and (b) specify that the audit must include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for future educational programming costs. Retain the provisions that would: (a) delete current law specifies that the audit must be limited in scope to those records that are necessary for DPI to make payments to the school; and (b) provide that these changes would first apply to audits of the 2015-16 school year.

Veto by Governor [B-8]: Modify the language related to allowable modifications for long-term fixed assets by striking the words "acquired before 2014."

[Act 55 Sections: 3355c thru 3355m, 3358am, 3382c thru 3382m, 3384b, and 9334(3)]

[Act 55 Vetoed Sections: 3355c and 3382c]

15. PRIVATE SCHOOL CHOICE PROGRAMS -- SCHOOL NOTICE OF PARTICIPATION DATE

Governor/Legislature: Modify the date to be January 10 of the previous school year, rather than February 1, by which a private school must: (a) notify the State Superintendent of its intent to participate in a private school choice program; (b) specify the number of pupils for which it has space; and (c) pay the auditor's fee.

[Act 55 Sections: 3320 and 3365]

16. PRIVATE SCHOOL CHOICE PROGRAMS -- TEACHER AND ADMINISTRATOR REQUIREMENTS

Governor: Modify requirements for teachers and administrators in private schools participating in a private school choice program to allow teachers to qualify with a teaching license issued by DPI, as an alternative to the currently required bachelor's, master's, or doctorate degree from an accredited institution of higher education. Allow administrators to qualify with a teaching or administrator's license issued by DPI, as an alternative to the currently required bachelor's degree from an accredited institution of higher education.

Joint Finance/Legislature: Modify provision to also specify that the bachelor's degree or higher educational credential required for all teachers or administrators in a private choice program school must be from a nationally or regionally accredited institution of higher education rather than an accredited institution of higher education as under current law.

[Act 55 Sections: 3321, 3322, 3366, and 3367]

17. PRIVATE SCHOOL CHOICE PROGRAMS -- GRADE INFORMATION PROVIDED TO DPI

Governor/Legislature: Delete current law requiring private choice schools to annually, by August 1, provide DPI with the number of pupils in each of the previous five years who attended the private school as part of a private school choice program, or as private school pupils, who were in fourth, eighth, and 12th grades, and the number of those pupils who advanced from fourth to fifth grade, advanced from eighth to ninth grade, and graduated from 12th grade.

[Act 55 Sections: 3353, 3354, 3380, and 3381]

18. PRIVATE SCHOOL CHOICE PROGRAMS -- ELIMINATE PUPIL ASSIGNMENT COUNCIL

Governor/Legislature: Delete provisions establishing a pupil assignment council consisting of one representative from each private school participating in the Milwaukee private school choice program and a second pupil assignment council consisting of one representative from each private school participating in the Racine and statewide private school choice programs. Under current law, these councils are required to submit recommendations by June 1 of each year to each private choice school on the achievement of a balanced representation of pupils participating in the private school choice programs.

[Act 55 Sections: 3357 and 3384]

19. MILWAUKEE CHOICE PROGRAM RESEARCH

Joint Finance/Legislature: Require the Department of Workforce Development, the Department of Children and Families, and the Department of Health Services Office of Vital Records to allow qualified independent researchers to cross-match databases already in their possession containing information regarding pupils participating in the Milwaukee private school choice program with other databases maintained by the agencies for purposes of evaluating the effects of the Milwaukee choice program. An exception to current law governing confidentiality of records in the juvenile justice system would be created for this provision effective January 1, 2016.

Define a qualified independent researcher as a faculty member of a university who meets the following criteria: (a) has an approved protocol from an institutional review board for human subjects research to work with data containing personal information for the purposes of evaluating

the Milwaukee choice program; and (b) has already received and properly managed data with personal information from the state for the same purposes.

Specify that the agencies could not charge a fee to the researchers greater than the cost incurred by the agencies for providing the data.

[Act 55 Sections: 1696m, 1767m, 1833t, 2012t, 3076c, 4714g, and 9408(2q)]

20. TEACHERS' AIDES IN PRIVATE CHOICE SCHOOLS

Joint Finance/Legislature: Specify that a private school participating in a private school choice program could employ a teacher's aide who has been granted a high school diploma by the administrator of a home-based private educational program.

Current law specifies that a teacher's aide in a private choice school must have graduated from high school, been granted a declaration of equivalency of high school graduation, been issued a general educational development certificate of high school equivalency, or obtained a higher degree or educational credential.

[Act 55 Sections: 3355r and 3382r]

21. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- SCHOOL ELIGIBILITY

Joint Finance: Specify that a private school participating in the statewide private school choice program would be required to have been in continual operation as a private school since May 1, 2013.

Senate/Legislature: Specify that the provision would apply in the 2015-16 and 2016-17 school years only.

[Act 55 Section: 3323p]

22. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- OCCUPANCY PERMIT REQUIREMENT

Joint Finance/Legislature: Delete current law requiring a private school participating in the statewide private school choice program to submit to DPI a current certificate of occupancy issued by the municipality within which the school is located.

[Act 55 Section: 3355s]

23. PRIVATE SCHOOL CHOICE PROGRAMS -- DOCUMENT RETENTION POLICY

Joint Finance/Legislature: Specify that private schools participating in the Milwaukee,

Racine, or statewide choice programs would be required to maintain documentation related to pupil applications for a period of at least five years. Provide that schools could maintain pupil applications, correspondence with applicants, and other documentation related to pupil applications electronically or in paper format.

Under current law, private choice schools are required to maintain all progress records for each pupil attending the school under a choice program for at least five years after the pupil ceases to attend the school.

[Act 55 Sections: 3355t and 3382t]

24. INDEPENDENT "2R" CHARTER SCHOOL REESTIMATE

GPR	\$8,882,500
Aid Reduction	<u>8,882,500</u>
Net GPR	\$0

Governor/Legislature: Provide \$2,422,500 in 2015-16 and \$6,460,000 in 2016-17 over base level funding of \$70,252,500 in 2014-15 as a reestimate of sum sufficient funding for participation in the current law independent "2r" charter school program. The reestimate assumes that 9,000 pupils in 2015-16 and 9,500 pupils in 2016-17 will participate in the current program at the per pupil payment of \$8,075 in 2015-16 and 2016-17 under the bill.

Under current law, the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate independent charter schools. UW-Milwaukee can establish schools in Milwaukee County or in an adjacent county. Schools chartered by the City must be located in the City. UW-Parkside can establish one school, which is located in the Racine Unified School District. Pupils residing in Milwaukee County or in an adjacent county may attend any of these schools. Under current law, payments to these schools are fully offset by a proportionate reduction in the general school aid eligibility of all school districts in the state. Under revenue limits, districts may levy property taxes to offset this aid reduction.

25. INDEPENDENT "2R" CHARTER SCHOOL PER PUPIL PAYMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	\$1,248,000	\$1,248,000
Aid Reduction	<u>0</u>	<u>1,248,000</u>	<u>1,248,000</u>
Net GPR	\$0	\$0	\$0

Governor: Specify that the per pupil payment for independent "2r" charter schools in the 2015-16 and 2016-17 school years would equal the payment amount for 2014-15, and that the current law indexing mechanism would apply beginning in 2017-18.

In 2014-15, the payment for independent charter schools is \$8,075 per pupil. Under current law, beginning in 2015-16, the payment amount is equal to the amount in the prior year plus the revenue limit per pupil adjustment, if positive, for school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the

current year. Under the current law indexing mechanism, the payment amount would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

Joint Finance/Legislature: Delete provision. Under Joint Finance, the current law indexing mechanism would result in an estimated "2r" charter per pupil payment of \$8,087 in 2015-16 and \$8,195 in 2016-17 (an increase of \$12 in 2015-16 and \$108 in 2016-17 compared to the prior year). As a result, the sum sufficient appropriation for the "2r" program would increase by \$108,000 in 2015-16 and \$1,140,000 in 2016-17. The "2r" aid reduction would increase by an equal amount, resulting in no net general fund effect.

26. CHARTER SCHOOL OVERSIGHT BOARD [LFB Paper 521]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,037,500	- \$4,037,500	\$0
Aid Reduction	<u>4,037,500</u>	<u>- 4,037,500</u>	<u>0</u>
Net GPR	\$0	\$0	\$0

Governor: Create a Charter School Oversight Board that would have the authority to approve independent "2r" charter school authorizers that could establish such schools statewide. The administration estimates that an additional 500 pupils would be enrolled in charter schools authorized through the Charter School Oversight Board in 2016-17. In that year, total payments for these pupils would equal \$4,037,500 at the proposed payment of \$8,075 per pupil under the bill.

Provide that the Board would be attached to DPI for administrative purposes. Specify that the Board would consist of the State Superintendent, or his or her designee, and 10 other members that would be appointed for staggered, three-year terms and would consist of the following: (a) two members appointed by the Governor, at least one of whom has served on the governing board of an independent charter school, has been employed by an independent charter school, or has served on the governing body of an entity authorized to contract to establish an independent charter school; (b) two members who are not legislators appointed by the Senate Majority Leader; (c) one member who is not a legislator appointed by the Senate Minority Leader; (d) two members who are not legislators appointed by the Speaker of the Assembly; (e) one member who is not a legislator appointed by the Assembly Minority Leader; (f) two members appointed by the State Superintendent who have served on the governing board of an independent charter school, have been employed by an independent charter school, or have served on the governing body of an entity authorized to contract to establish an independent charter school. Specify differing terms for initial appointments to the Board.

Provide that the chairperson of the Board would be designated by the Governor. Require that the authorities responsible for appointing the members of the Board ensure, to the extent feasible, that members are geographically diverse and have experience and expertise in governing public and nonprofit organizations; in management and finance; in public school

leadership, assessment, and curriculum and instruction; and in education law; and understand and are committed to the use of charter schools to strengthen public education. Provide that no member of the Board could serve more than two consecutive terms. Prohibit the Board from promulgating rules and specify that, for the purposes of administrative rule-making, a standard or statement of policy adopted by the Charter School Oversight Board would not be considered an administrative rule.

Provide that any nonprofit, nonsectarian organization or consortium of such organizations approved by the Charter School Oversight Board could become an independent charter school authorizer. Require that such an organization, or consortium of such organizations, in order to become a charter authorizer, submit an application to the Charter School Oversight Board that includes the following information: (a) a strategic plan for contracting with charter school governing boards that submit high-quality proposals for charter schools that meet identified educational needs and promote a diversity of educational choices; (b) a performance framework for use in supervising and evaluating charter schools that addresses pupil academic proficiency, growth in pupil academic achievement, gaps in achievement between groups of pupils, pupil attendance, the readiness of pupils for postsecondary education, the financial proficiency and sustainability of charter schools, and charter school management; (c) an assurance that the organization or consortium will ensure accountability and transparency on the part of those charter school governing boards with which it contracts; (d) a plan, including corrective action strategies, designed to improve a charter school under contract with the organization or consortium, or to close such a charter school, based on contractual performance standards; (e) a description of the types of charter schools the organization or consortium is seeking to establish, and their potential attendance areas; (f) information on the organization's or consortium's finances and other resources necessary for the Charter School Oversight Board to determine the applicant's ability to perform its functions as an authorizer; (g) a plan for entering into additional contracts in order to replicate successful charter schools; and (h) any other information requested by the Charter School Oversight Board. Require the Charter School Oversight Board to approve or deny an application within 90 days of receiving it.

Provide that an organization or consortium approved by the Charter School Oversight Board to contract to establish an independent charter school would have to annually submit a report to the Charter School Oversight Board that includes the following information: (a) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (b) the academic and financial performance of each charter school operated under contract with it; (c) the operating costs that the authorizing entity incurred under the statutory requirements for authorizers, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (d) the services that the authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services.

Provide that a school board could prohibit a pupil who resides in the school district from attending an independent charter school, unless the district membership is at least 4,000 pupils and at least two public schools in the district were assigned one of the bottom two grade levels in

the most recent school accountability report published by DPI. Provide that a pupil who wishes to attend an independent charter school, and who resides in a school district in which the school board could prohibit pupils from attending an independent charter school, would have to submit an application to the school board. Within 30 days of receiving such an application, require the school board to issue a decision allowing or prohibiting the pupil from attending the charter school. This provision would first apply on the effective date of the bill.

Delete current law provisions that restrict the location of independent charter schools based on the authorizer, and that require approval of the Board of Regents for charter schools to be established by UW-Milwaukee and UW-Parkside. Delete the current law restriction that the Chancellor of UW-Parkside may establish only one charter school, and that the school may enroll a maximum of 480 pupils. Provide that any independent charter school authorizer may contract for the operation of a charter school located anywhere in the state. Delete the current law residency restrictions that generally require a pupil to reside in Milwaukee County or an adjacent county in order to attend an independent charter school.

Specify that independent charter schools would be local educational agencies (LEA) for the purposes of the federal Elementary and Secondary Education Act (ESEA, also known as No Child Left Behind) and, as such, they would be eligible for funding as LEAs and must comply with all requirements of LEAs under the ESEA.

Provide that a contract with a school board or an independent charter school authorizing entity may provide for the establishment of more than one charter school, and a charter school governing board may enter into more than one contract with a school board or independent charter school authorizing entity.

Specify that, for the purposes of the open enrollment program, the definition of a charter school excludes independent charter schools.

Under current law, the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate independent charter schools. UW-Milwaukee can establish schools in Milwaukee County or in an adjacent county. Schools chartered by the City must be located in the City. UW-Parkside can establish one school, which is located in the Racine Unified School District. An estimated 8,500 pupils attend these schools in 2014-15, and the aid per pupil for that year is \$8,075. Under current law, payments to these charter schools are fully offset by a proportionate reduction in the general school aid eligibility of all school districts in the state. Under revenue limits, districts may levy property taxes to offset this aid reduction.

Joint Finance/Legislature: Delete provisions specific to the Board. The following modifications to charter law not specific to the Board would remain: (a) delete provisions that restrict the location of independent charter schools for current law authorizers based on the authorizer, so that schools could be located anywhere in the state; (b) delete provisions that require approval of the Board of Regents for charter schools established by UW-Milwaukee and UW-Parkside; (c) delete the restriction that the Chancellor of UW-Parkside may establish only one charter school and that the school may enroll a maximum of 480 pupils; (d) delete the residency restrictions for pupils attending an independent charter school for current law authorizers, so that pupils residing anywhere in the state could attend these schools; (e) specify

that independent charter schools would be LEAs for the purpose of the federal law; (f) specify that a contract with a school board or an authorizing entity of independent charter schools may provide for the establishment of more than one charter school, and that a charter school governing board may enter into more than one contract with a school board or an authorizing entity of independent charter schools; and (g) specify that, for the purposes of the open enrollment program, the definition of a charter school excludes independent charter schools.

[Act 55 Sections: 3273, 3276d thru 3278, 3285, 3289, 3304, 3305, and 9334(1)]

27. ADDITIONAL CHARTER SCHOOL AUTHORIZERS

Joint Finance/Legislature: Allow five new entities to authorize independent charter schools: (a) the Office of Educational Opportunity in the UW System; (b) the Gateway Technical College District Board; (c) the College of Menominee Nation; (d) the Lac Courte Oreilles Ojibwa Community College; and (e) the County Executive of Waukesha County.

Specify that the Director of the Office of Educational Opportunity (OEO) in the UW System would be able to contract for the establishment of charter schools located only in school districts with membership over 25,000 pupils (currently Milwaukee and Madison). [For further information on provisions related to the governance and operations of the Office, see "University of Wisconsin System."]

Provide that the Gateway Technical College District Board could authorize charter schools located only in the district. Provide that pupils who reside within the boundaries of the district or in a county adjacent to the district could attend these charter schools. Specify that the Board could authorize charter schools only if the school operates high school grades only and provides a curriculum focused on science, technology, engineering, and mathematics, or occupational education and training. Provide that the technical college would be allowed to employ instructional staff for the charter school.

Specify that the two tribal colleges could authorize up to a total of six charter schools between them, with no geographic limitation on the location of the schools.

Provide that the County Executive of Waukesha County could authorize charter schools located in Waukesha County.

Specify that the per pupil payment for these charter schools, other than the tribal college charters, would be equal to the per pupil payment for "2r" charter schools. Specify that the per pupil payment for a tribal college charter school would be an amount equal to the per pupil academic base funding provided to tribal schools by the federal Bureau of Indian Education in the previous school year.

Provide that the payments for these charter schools, other than the schools chartered by the OEO, would be paid from the current law appropriation for per pupil payments for "2r" charters. Create a sum sufficient appropriation for per pupil payments to charter schools authorized by the OEO. Specify that these payments be made on the same quarterly payment schedule as the payments for "2r" charter schools.

Specify that a pupil attending a charter school authorized by any of the five new authorizers would be counted by their district of residence for revenue limits and general school aids. Require DPI to reduce a school district's general aid payment (and categorical aid, if necessary) in an amount equal to the total of the per pupil payments made for pupils residing in the district. Specify that a district would not be able to levy to backfill that aid reduction.

Specify that the statutory authority for the new authorizers, other than the OEO, would be granted under the statutory subsection governing the current law "2r" program [s. 118.40(2r)]. Create a separate subsection governing schools chartered by the OEO [s. 118.40(2x)]. Provide that the current law and bill provisions that govern "2r" charter schools would also govern charter schools authorized by the Office, with the exception of the contract requirement allowing for replication based on the performance of a school on school accountability reports.

[Act 55 Sections: 419g, 560r, 565c, 565g, 3182g, 3191r, 3193p, 3193r, 3208, 3211p thru 3211v, 3215d, 3220m, 3220p, 3228g, 3228k, 3229c, 3229f, 3229q, 3245c, 3245j, 3245m, 3245p, 3248g, 3248k, 3250r, 3258r, 3258t, 3260, 3264, 3266, 3268, 3268g, 3269d thru 3269k, 3270d thru 3270k, 3272d thru 3272L, 3276d, 3277d, 3278g, 3278j, 3282g, 3284n, 3284p, 3286m, 3286p, 3289 thru 3292, 3299, 3300g thru 3300v, 3305, 3311m, 3312, 3389m, 3393s, 3395d, 3395w, 3396n, 3398d, 3398f, 3401, 3402, 3411s, 3421d, and 4642m]

28. CHARTER SCHOOL AUTHORIZING ENTITY DUTIES

Governor/Legislature: Require that a school board that has authorized a charter school, or an entity authorized to contract to establish independent "2r" charter schools, do all of the following: (a) solicit and evaluate charter school applications; (b) approve only high-quality charter school applications that meet identified educational needs and promote a diversity of educational choices; (c) in accordance with the terms of each charter school contract, monitor the performance and compliance with state charter school law of each charter school with which it contracts; and (d) annually submit a report to the State Superintendent and Legislature. Require that the annual report to the State Superintendent and Legislature would include the following information for each authorizer: (i) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (ii) the academic and financial performance of each charter school operated under contract with it; (iii) the operating costs of the school board or independent charter school authorizing entity incurred under its required duties, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (iv) the services that the school board or independent charter school authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services. For a contract for the establishment of a charter school that is entered into, renewed, or modified upon the effective date of the bill, require that an authorizing entity adhere to the principles and standards for quality charter schools established by the National Association of Charter School Authorizers.

Under current law, school boards and independent charter school authorizers are required

to do the following: (a) when contracting for the establishment of a charter school, consider the principles and standards for quality charter schools established by the National Association of Charter School Authorizers; and (b) give preference in awarding contracts for the operation of charter schools to those charter schools that serve children at risk. The current law preference for charter schools that serve children at risk would continue to apply to these authorizing entities.

[Act 55 Sections: 3287, 3288, 3291, 3292, and 9334(1)]

29. CONTRACT REQUIREMENTS FOR INDEPENDENT "2R" CHARTER SCHOOLS [LFB Paper 522]

Governor: Require that, in addition to the contract requirements applicable for all charter schools, the contracts between the governing boards of independent "2r" charter schools and their authorizers include the following: (a) a requirement that a charter school governing board adhere to specified annual academic and operational performance standards developed in accordance with the performance framework of the entity with which it is contracting; (b) provisions detailing the corrective measures the charter school governing board will take if the charter school fails to meet performance standards; (c) a provision allowing the governing board of a charter school that is assigned one of the top two grade levels in the most recent school accountability report published by DPI to open one or more additional charter schools and, if the charter school governing board opens one or more additional charter schools, the existing contract applies to the new school or schools unless the parties agree to amend the existing contract or enter into a new contract; (d) the methodology that will be used by the charter school governing board to monitor and verify pupil enrollment, credit accrual, and course completion; (e) a requirement that the authorizing entity have direct access to pupil data; (f) a description of the administrative relationship between the parties to the contract; (g) a requirement that the charter school governing board hold parent-teacher conferences at least annually; (h) a requirement that if more than one charter school is operated under the contract, the charter school governing board report to the authorizing entity on each charter school separately; (i) a requirement that the charter school governing board provide the data needed by the authorizing entity for purposes of making a required annual report to the State Superintendent and Legislature; (j) a requirement that the charter school governing board participate in any training provided by the authorizing entity; and (k) a description of all fees the authorizing entity will charge the charter school governing board. Specify that these requirements would first apply to a contract for the establishment of a charter school that is entered into, renewed, or modified on the effective date of the bill.

Provide that, if an independent charter school is in operation on the effective date of the bill, and the charter school is assigned one of the top two grade levels in the most recent school accountability report published by DPI, then the person operating the charter school may open one or more additional charter schools, regardless of the terms of the existing contract with its authorizing entity. Specify that all other provisions of the contract, other than any provision that conflicts with this provision, apply to the new school or schools, unless the parties agree to amend the existing contract or enter into a new contract.

Provide that independent charter school authorizers would be required to contract with a person to operate a charter school, rather than operating the school directly, unless an authorizing entity was operating the school directly immediately prior to the effective date of the bill, in which case, it would be permitted to continue to do so.

Delete current law provisions relating specifically to a charter school authorized by the University of Wisconsin-Parkside. Current law requires that, if the Chancellor of the University of Wisconsin-Parkside contracts for the establishment of a charter school, the contract must also provide that the charter school must be operated by a governing board and that the Chancellor or his or her designee must be a member of the governing board and requires that, if the instructional staff of the charter school are employees of the UW System Board of Regents, that the contract must include certain other provisions related to collective bargaining agreements and other matters related to employment administration.

Joint Finance/Legislature: Modify provision to specify that a governing board could open additional schools if all of the schools operated by the board have received one of the top two ratings on the most recent school accountability reports. Also, delete the provision under which, if an independent charter school is in operation on the effective date of the bill, and the charter school is assigned one of the top two grade levels in the most recent school accountability report published by DPI, then the person operating the charter school may open one or more additional charter schools, regardless of the terms of the existing contract with its authorizing entity. This provision would apply to contracts entered into after the effective date of the bill.

[Act 55 Sections: 3143, 3152, 3156, 3176, 3182g, 3271, 3273 thru 3275, 3778, and 9334(1)]

30. CHARTER SCHOOL GOVERNING BOARDS

Governor/Legislature: Effective September 1, 2015, require each charter school (both independent "2r" and school district charter schools) to be governed by a governing board that is a party to the contract with the authorizing entity. Require that no more than a minority of the governing board's members could be employees of the charter school or employees or officers of the school district in which the charter school is located.

Subject to the terms of its contract, provide that a charter school governing board has all the powers necessary to carry out the terms of its contract, including the following: (a) to receive and disburse funds for school purposes; (b) to secure appropriate insurance; (c) to enter into contracts, including contracts with a University of Wisconsin institution or college campus, technical college district board, or private college or university, for technical or financial assistance, academic support, curriculum review, or other services; (d) to incur debt in reasonable anticipation of the receipt of funds; (e) to pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit; (f) to solicit and accept gifts or grants for school purposes; (g) to acquire real property for its use; and (h) to sue and be sued in its own name. Provide that these powers would first apply to a contract for the establishment of a charter

school that is entered into, renewed, or modified on the effective date of the bill.

[Act 55 Sections: 3294 thru 3300, 9334(1), and 9434(1)]

31. CHARTER SCHOOL ADMISSIONS

Governor/Legislature: Require that, with the following specified exceptions, a contract with a school board or independent "2r" charter school authorizing entity specify that if the capacity of the charter school is insufficient to accept all pupils who apply, the charter school would have to accept pupils at random. Require that a charter school give preference in enrollment to pupils who were enrolled in the charter school in the previous school year, and to siblings of pupils who are enrolled in the charter school. Permit a charter school to give preference in enrollment to the children of the charter school's founders, governing board members, and full-time employees, but limit the total number of such children given preference to no more than 10% of the charter school's total enrollment. Provide that these changes would first apply to a contract entered into, renewed, or modified on the effective date of the bill.

In addition, as under current law, provide that if a charter school replaces a public school in whole or in part, the school must give preference in admission to any pupil who resides within the attendance area or former attendance area of that public school.

[Act 55 Sections: 3290, 3295, and 9334(1)]

32. OPEN ENROLLMENT TRANSFER AMOUNT

Governor: Specify that the open enrollment transfer amount in the 2015-16 and 2016-17 school years would equal the transfer amount for 2014-15, and that the current law indexing mechanism would apply beginning in 2017-18.

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence. The resident district counts the pupil in its pupil membership for revenue limits and general aids. A specified amount of state aid is then transferred from the resident district to the nonresident district for each open enrollment pupil. In 2014-15, the transfer amount is \$6,635 per pupil. Under current law, beginning in 2015-16, the transfer amount is equal to the amount in the prior year plus the revenue limit per pupil adjustment, if positive, for school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the transfer amount would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

Joint Finance/Legislature: Delete provision. Under Joint Finance, the current law indexing mechanism would result in an estimated open enrollment transfer amount of \$6,647 in 2015-16 and \$6,755 in 2016-17 (an increase of \$12 in 2015-16 and \$108 in 2016-17 compared to the prior year).

33. TREATMENT OF TELECOMMUNICATIONS ACCESS APPROPRIATION FOR PAYMENT INDEXING

Governor: Specify that, for the purposes of indexing the per pupil payment amounts for the Milwaukee private school program and for pupils who attended the Racine or statewide programs in 2014-15, the independent "2r" charter school program, and the open enrollment programs, the amount that would be included in the categorical aid total from the DOA appropriation for telecommunications access for educational agencies would include only the amounts allocated for payments to telecommunication providers under contracts with school districts and cooperative educational service agencies and for grants to school district consortia, as determined by the DOA Secretary.

Under current law, beginning in 2015-16 and in each year thereafter, the per pupil payment amounts under the three programs equals the sum of the payment amount in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive. Under the bill, the amounts for the three programs would be held constant at the 2014-15 amount for each year of the 2015-17 biennium, and the current law adjustment mechanism would apply starting in the 2017-18 school year.

Under current law, the DOA appropriation for telecommunications access for school districts is included in the categorical aid total for the indexing calculation. Under the bill, the purposes of that appropriation would be broadened to include payments to other educational agencies, which are currently paid out of separate appropriations that would be deleted and consolidated into one appropriation.

Joint Finance/Legislature: Delete provision.

34. OPEN ENROLLMENT PROGRAM CHANGES FOR PUPILS WITH DISABILITIES

Joint Finance/Legislature: Make the following changes to the open enrollment program as it relates to children with disabilities:

a. Delete the ability of a resident school district to deny an open enrollment application on the basis of undue financial burden.

b. Delete the requirement that a nonresident district provide to the resident district an estimate of the costs to provide the special education services required in the individualized education program (IEP) for a child with disabilities who applies under the program.

c. Set a per pupil aid transfer amount of \$12,000 in 2016-17 to be transferred from the resident district to the nonresident district for each special education pupil who open enrolls. Specify that this amount be indexed annually in a manner similar to the transfer amount for a regular education pupil, which is based on the revenue limit per pupil adjustment and the change in categorical aid funding per pupil in a given year.

d. Delete the statutory requirement that the resident school board pay tuition to the nonresident school board for a special education pupil attending under open enrollment.

Specify that these provisions would first apply to applications to attend a public school in a nonresident school district under the open enrollment program in the 2016-17 school year.

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence, provided the pupil's parent complies with certain application dates and procedures and the applicable acceptance criteria are met. Statutes specify the conditions under which the resident and nonresident district can reject an open enrollment application. A resident district can generally prohibit a resident pupil from attending school in another district if the pupil is a child with disabilities and the costs of the special education services required in the child's IEP that would be provided by the nonresident district would impose an undue financial burden on the resident district, which must pay tuition for the child. Under federal law, the determination of undue financial burden must be based only on tuition charges that reflect the actual, additional special education costs the nonresident district would incur in educating that child.

The resident district counts a regular education pupil transferring to another district under open enrollment in its pupil membership for revenue limits and general aids. A specified amount of state aid (\$6,635 in 2014-15) is then transferred from the resident district to the nonresident district for each open enrollment pupil. For a special education pupil, however, the resident district is required to pay tuition to the nonresident district. Federal special education law limits the payment to the sum of the open enrollment transfer amount and any actual, additional special education costs the nonresident district would incur to educate the student. Deleting the statutory requirement for tuition payment would mean that state special education categorical aid for the pupil would be retained by the nonresident school district.

[Act 55 Sections: 563p, 3220, 3224, 3306e thru 3306t, 3307p thru 3309h, 3411r, 3421q, and 9334(2d)]

35. COURSE OPTIONS PROGRAM

Joint Finance/Legislature: Specify that an institution of higher education, including the University of Wisconsin System, a technical college, a nonprofit institution of higher education, or a tribal college may charge additional tuition and fees to a pupil, or the parent or guardian of a minor pupil, if that pupil will receive postsecondary credit for the successful completion of a course taken through the course options program. Provide that the school board and the institution of higher education would determine the amount of tuition and fees that would be charged to a pupil for attending the course.

The course options program allows pupils in any grade to enroll in up to two courses at a time at another educational institution, including a public school in a nonresident school district, the University of Wisconsin System, a technical college, a nonprofit institution of higher education, a tribal college, a charter school, and any nonprofit organization that has been approved by DPI. Under current law, the school district is responsible for the cost of providing

the course to the pupil, and a pupil cannot be charged any tuition or fees for an approved course.

[Act 55 Sections: 3310g and 3310r]

36. SPECIAL NEEDS SCHOLARSHIP PROGRAM

Joint Finance/Legislature: Create a special needs scholarship program, beginning in 2016-17, to allow a child with a disability to attend a participating private school of the child or the child's parent's choice, if that child has previously been rejected from attending a school in a nonresident school district under the open enrollment program. Require each school board to annually notify the parents of each child with a disability enrolled in the school district about the program.

To be eligible for the program, require that a child have an individualized education plan (IEP) or services plan in place, and that the child attended a public school in Wisconsin for the entire school year immediately preceding the school year for which the child first participates. Additionally, an eligible child would be required to have applied to attend a public school in one or more nonresident school districts under the open enrollment program in the same school year in which the pupil would begin participating in the voucher program and was rejected by the school boards of each district or prohibited from attending public school in the nonresident districts. If the child's parent appealed any school board decision, require that DPI affirmed the school board's decision. Specify that, if an otherwise eligible pupil applied to participate in the special needs scholarship program in the 2016-17 school year, the pupil would be eligible for the program if he or she had applied to attend a public school in one or more nonresident school districts in at least one of the previous five school years and was rejected by the school boards of each district or prohibited from attending public school in the nonresident districts, and the pupil will attend a public school in Wisconsin for the entire 2015-16 school year. Specify that a special needs scholarship program pupil attending a private school participating in a private school choice program could not be counted as a pupil attending the school under the choice program.

Under the new program, define an eligible school as a private school located in this state. A child with a disability could attend an eligible school, if the school has notified DPI of its intent to participate in the program, and the notice specifies the number of pupils who may participate in the program for whom the school has space. Additionally, require that the school be approved by the State Superintendent as a private school under state requirements, or the private school is accredited by the Wisconsin North Central Association, Wisconsin Religious and Independent Schools Accreditation, the Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, the diocese or archdiocese within which the private school is located, or any other organization recognized by the National Council for Private School Accreditation, as of the August 1 preceding the school term in which pupils first attend the school under the program.

Require the child or the child's parent to submit an application to the eligible school, on a form prepared by DPI. Allow an application to be made, and a child to begin attending an eligible school, at any time during the school year. Require the application to include a copy of a document, to be prepared by DPI, about the child's rights, as described below. If an eligible

school receives more applications than the number of pupils for whom the school has space, require the school to select pupils on a random basis, except that it may give preference to siblings of pupils who are already attending the school.

Require DPI to develop a document and revise it as necessary, for inclusion with an application to an eligible school, comparing the rights of a child with a disability and of his or her parent under state law and the Individuals with Disabilities Education Act (IDEA, the federal special education law), with the rights of a child with a disability and of his or her parent under the program and IDEA. Provide that receipt of this document by an applicant, acknowledged in a format prescribed by DPI, would constitute notice that the applicant has been informed of his or her rights under state law and under IDEA. Subsequent participation in the program would constitute the applicant's informed consent to the rights specified in the document.

Require the private school to provide each applicant under the program with a profile of the school's special education program, in a form prescribed by DPI, that includes the methods of instruction that will be used by the school to provide special education and related services to the child and the qualifications of the teachers and other persons who will be providing special education and related services to the child.

Require the governing body of an eligible school to notify DPI when the school accepts a pupil under the program. Upon being notified, require that DPI notify the school board of the pupil's district of residence that the pupil will participate in the program. Require the school board, within three days of receiving notice, provide DPI and the governing body of the eligible school that accepted the pupil with a copy of the pupil's IEP.

Require DPI, on behalf of the child's parent, to pay an amount equal to \$12,000 in 2016-17 on behalf of each child participating in the program to the private school that the pupil attends, from a new appropriation for payments for special needs scholarship program pupils. Beginning in 2017-18, specify that the payment would be equal to the payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Pupils participating in the program could be counted by their school district of residence for general aids and revenue limit purposes. The equalization aid paid to a pupil's district of residence would be reduced by an amount equal to the total amount paid to eligible schools on behalf of special education pupils attending from that district. Prohibit the district from back filling this aid reduction with levy. If the district did not receive an equalization aid payment sufficient to cover the aid reduction, the balance would be reduced from other state aid received by the district.

Specify that DPI would pay the school in four payments, with 25% of the total provided in September, 25% in November, 25% in February, and 25% in May. Each installment could consist of a single check for all pupils at that school. The pupil could participate in the program for as long as the pupil attends an eligible school, until the pupil graduates from high school, or until the end of the school term in which the pupil attains the age of 21, whichever comes first. Specify that DPI could not make payments to a private school unless the pupil's parent has acknowledged receiving a profile of the private school's special education program as described below.

Require that the private school implement the child's most recent IEP or services plan, as modified by agreement between the school and the child's parent, and related services agreed to by the private school and the child's parent that are not included in the IEP or services plan. Require the private school to provide a record of the implementation of the child's IEP or services plan, including an evaluation of the child's progress, to the school board of the school district in which the child resides, in a form and manner prescribed by DPI. Require that the school regularly report to the child's parent on the child's progress.

Require the district of residence to ensure that the child's IEP team reevaluates the child at least every three years, unless the parent and school district agree otherwise. Provide that if an IEP team unanimously determines that the child is no longer a child with a disability, the child would become ineligible to participate in the program beginning the school term following the determination. If the child continued to attend a private school that he or she had attended under the program, provide that DPI would pay to the private school an amount equal to the private school choice program per pupil payment applicable to the choice program in the child's school district of residence in the same year.

Upon the request of a parent of a child participating in the program, require the pupil's resident school district to administer the appropriate state standardized pupil assessment to the pupil, at no cost, if the school attended by the pupil does not administer them.

Require each private school participating in the program or receiving a payment to: (a) comply with all health and safety laws or codes that apply to private schools; (b) hold a valid certificate of occupancy, if required by the municipality in which the school is located or, if the municipality does not issue certificates of occupancy, obtain a certificate of occupancy issued by the local or regional governmental unit with authority to issue certificates of occupancy, or submit to DPI a form from the municipality indicating that it does not issue certificates of occupancy; (c) comply with federal law that prohibits discrimination on the basis of race, color, or national origin by any program or activity that receives federal financial assistance; and (d) conduct criminal background checks of its employees, and exclude from employment any person not permitted to hold a teaching license as the result of an offense and any person who might reasonably be believed to pose a threat to the safety of others. Further, require private schools annually to submit to DPI a school financial information report, prepared by a certified public accountant, that complies with uniform financial accounting standards established by DPI by rule. The report would have to be accompanied by an auditor's statement that the report is free of material misstatements and fairly represents pupil costs. Require the report to be limited in scope to those records that are necessary for DPI to make payments to the private school.

Require that, if a private school expects to receive at least \$50,000 in payments during a school year, then the school would have to do one of the following before the beginning of the school year: (a) file with DPI a surety bond payable to the state in an amount equal to 25% of the total amount of special needs payments expected to be received by the private school during the school year; or (b) file with DPI financial information demonstrating that the private school has the ability to pay an amount equal to the total amount of payments expected to be received by the private school during the school year.

Specify that state law related to the physical restraint of pupils would apply to private schools participating in the program. Provide that the current state law governing pupil transportation by school districts would also apply, which, in general, requires school districts to provide transportation to public and private school pupils who reside more than two miles from the school they are entitled to attend, with school buses, city buses, or other means. Under current law, a child attending a private school is generally entitled to transportation by the district of residence, if the pupil resides within the private school's designated attendance area and the school is located within the school district or not more than five miles beyond the district's boundary, measured along the usually traveled route.

Provide that DPI could bar a private school from participating in the program if the Department determines that the school has done any of the following: (a) intentionally and substantially misrepresented information in required private school reports to DPI and to parents; (b) routinely failed to comply with the standards for a private school annual financial information report or financial information demonstrating that the private school has the ability to repay an amount equal to the amount received under the program for the school year; (c) used payments under the program for any purpose other than educational purposes, or rebated, refunded, or shared a pupil's payment with a parent or pupil; or (d) failed to refund to the state, within 60 days, any overpayments.

If DPI would bar a private school from participating in the program, require that it notify all pupils eligible to participate in the program and their parents as quickly as possible. A pupil who is attending a private school barred from the program could attend another participating school under the program.

Require the Legislative Audit Bureau to contract for a study of the program, with one or more researchers who have experience evaluating school choice programs. Require the study evaluate the following: (a) the level of satisfaction with the program expressed by participating pupils and their parents; (b) the percentage of participating pupils who were victimized because of their special needs at their resident school district and the percentage of such pupils at their participating school; (c) the percentage of participating pupils who exhibited behavioral problems at their resident school district and the percentage of such pupils at their participating school; (d) the average class size at participating pupil's resident school district and at their participating school; and (e) the fiscal impact of the program on the state and on resident school districts. Specify that the contract would require the researchers who conduct the study to do all of the following: (a) apply appropriate analytical and behavioral science methodologies to ensure public confidence in the study; (b) protect the identity of participating schools and pupils; and (c) require that the results of the study be reported to the appropriate standing committees of the Legislature by January 9, 2019.

Require DPI to promulgate rules to implement and administer these provisions, including rules relating to all of the following: (a) the eligibility and participation of eligible schools, including timelines that maximize pupil and school participation; (b) the calculation and distribution of scholarships; and (c) the application and approval procedures for pupils and eligible schools.

Veto by Governor [B-12 and B-13]: Modify the program's eligibility requirements for the 2016-17 school year by striking the word "entire" from the requirement related to the pupil's public school attendance in the 2015-16 school year. As a result of this veto, a pupil could participate in the special needs scholarship program in the 2016-17 school year if he or she attended a public school for the 2015-16 school year. Additionally, delete language requiring that the Legislative Audit Bureau (LAB) contract with one or more researchers for the study of the program. Under the act, the Legislative Audit Bureau would be required to conduct the study.

[Act 55 Sections: 563d, 3215d, 3224g, 3224m, 3266am, 3351g, 3379g, 3395d, 3396n, 3398d, 3398f, 3411s, 3421d, and 9134(6q)]

[Act 55 Vetoed Sections: 3224m (as it relates to the LAB study requirement) and 9134(6q)]

37. TUITION FOR PUPILS ATTENDING A SCHOOL OUT-OF-STATE

Joint Finance/Legislature: Specify that if the school board of a pupil's district of residence and the school board of a pupil's district of attendance enter a written agreement to permit a pupil to attend a public school outside the school district of residence, including an out-of-state school, the amount of tuition that the school district of residence would pay to the school district of attendance must be specified in a written agreement between the two districts. Provide that the school district of residence would be paid state aid for the pupil, in an amount up to the amount specified in the written agreement, as though the pupil were enrolled in the district of residence.

Delete current law requiring that if a school board provides for the enrollment of a pupil in a public school located outside of this state, the school must be at least 1.5 miles nearer to the pupil's home than any public school in Wisconsin. Additionally, delete current law requiring that the school board pay for the transportation of a pupil who resides two or more miles from an out-of-state school, and specifying that the school district is eligible for state aid for the transportation of the pupil as if the pupil were transported to a school in the district of residence.

Specify that these provisions would first apply to pupils attending a nonresident school in the 2015-16 school year.

Under current law, a pupil can attend a public school outside of the pupil's district of residence, including an out-of-state school, under a written agreement between the school district of residence and the school district of attendance. The school district of residence receives state aid for that pupil as if he or she were enrolled in the resident district, and must pay tuition to the school district of attendance in an amount determined by the two districts.

[Act 55 Sections: 3411e, 3411m, 3411n, 9334(3c), and 9334(3d)]

District Operations and Standards

1. EDUCATIONAL STANDARDS [LFB Paper 530]

Governor: Prohibit the State Superintendent from giving any effect, or requiring a school board to give any effect, to any academic standard developed by the Common Core State Standards Initiative and adopted and implemented prior to the effective date of the bill. Prohibit the State Superintendent from taking any action to adopt or implement any academic standards developed by the Common Core State Standards Initiative or directing any school board to adopt or implement any academic standards developed by the Common Core State Standards Initiative after the effective date of the bill.

Require that school districts annually, prior to the start of the school term, notify the parents and guardians of pupils enrolled in the district of the academic standards adopted by the school board for that school year. Require that a notice identifying the academic standards adopted by the school board be included as an item on the agenda for the first school board meeting of the school year.

Joint Finance/Legislature: Modify the Governor's recommendation to specify that school districts could notify the parents and guardians of pupils enrolled in the district of the academic standards adopted by the school board electronically, including on the district's Internet site.

[Act 55 Sections: 3189 and 3388]

2. SCHOOL ACCOUNTABILITY REPORTS [LFB Paper 531]

Governor: Modify the components required to be included by DPI in the school and school district accountability reports as follows: (a) categorize all measures by English language proficiency, disability, income level, and race or ethnicity; (b) calculate growth in pupil achievement in reading and mathematics using a value-added methodology; (c) delete the measures of college and career readiness for high school pupils and measures indicative of being on track for college and career readiness in the elementary grades; (d) indicate gap closure in pupil achievement in reading and mathematics in addition to graduation rates, when graduation rates are available; (e) include rates of attendance or of high school graduation; and (f) identify a school's level of performance and a school district's level of improvement using a letter grade. Specify that the letter grades would include "A" to indicate that a school or school district significantly exceeded expectations, "B" to indicate that a school or district exceeded expectations, "C" to indicate that a school or district met expectations, "D" to indicate that a school or district met few expectations, and "F" to indicate that a school or district failed to meet expectations. Require that the accountability report include a qualitative definition for each of the five grade levels.

Require that DPI exclude data from the following when determining a school's

performance or improvement: (a) a pupil who was enrolled in a private school under a private school choice program in the eighth grade and transferred to a public school, including a charter school, for the ninth grade; (b) a pupil who was enrolled in a public school, including a charter school, in the eighth grade and transferred to a private school under a private school choice program in the ninth grade; and (c) a pupil in a grade other than ninth grade who was enrolled in the school or school district for less than one year prior to taking the pupil assessment.

Require that if DPI used pupil assessment scores to determine a school or school district's accountability grade, a weighted formula would be used to account for the amount of time that a pupil was enrolled in the school or school district prior to taking the pupil assessment. Under the formula, scores would be weighted as follows: (a) multiply the pupil assessment score of a pupil who was enrolled in the school or school district for at least one year but less than two years by one; (b) multiply the score of a pupil who was enrolled in the school or school district for at least two years but less than three years by two; (c) multiply the score of a pupil who was enrolled in the school or school district for more than three years by three. Specify that the pupil assessment scores of ninth grade pupils could not be weighted.

Require that DPI use a formula to adjust the weight given to the measures of pupil achievement and pupil growth in reading and mathematics based on the number of economically disadvantaged pupils enrolled in the school or school district. Under the formula, scores would be weighted as follows: (a) weight pupil achievement at 90% and pupil growth at 10% if five percent or less of the school or school district membership is comprised of economically disadvantaged pupils; (b) weight pupil achievement at 10% and pupil growth at 90% if 65% or more of the school or school district membership is comprised of economically disadvantaged pupils; (c) if the percentage of economically disadvantaged pupils in the school or school district is greater than five percent but less than 65%, pupil achievement would be weighted by dividing 80 by 60, multiplying the quotient by the percentage of economically disadvantaged pupils in the school or district, and adding 3.35 to the result, and pupil growth would be weighted by subtracting the weight given to pupil achievement from 100. Define an economically disadvantaged pupil as one who satisfies either the federal income eligibility criteria for a free or reduced-price lunch or other criteria determined by DPI.

Require that accountability reports would be published for independent "2r" charter schools and private schools participating in a private school choice program beginning in the 2015-16 school year. Provide that the same criteria would be used to measure the performance of all schools included in the school accountability reports, including independent "2r" charter schools and private school choice program schools.

Require that DPI specify the percentage of pupils attending a private school under a private school choice program on the accountability report of the private school. If a private school submitted achievement data only for pupils attending the school under a private school choice program, require that DPI identify the resulting grade as the choice pupil grade. If a private school submitted achievement data for pupils attending the school under a private school choice program in addition to all other pupils attending the private school, require that DPI include two grades for that school: (a) a choice pupil grade including data from choice pupils only; and (b) a private school grade derived from all pupils attending the school, including pupils

attending under a private school choice program.

Require that each school provide a copy of the school's accountability report to the parent or guardian of all pupils enrolled in the school. Specify that this requirement would apply to all public schools, including charter schools, and all private schools participating in a private school choice program. Require that school boards include the most recent grade level assigned to each school within the school district boundaries, including independent "2r" charter schools and private schools participating in a private school choice program, in its annual notice and letter regarding educational options available in the school district.

Require that the appropriate standing committee of the Assembly and Senate conduct a review of school and school district accountability reports beginning in the 2017-18 school year and every two years thereafter.

Under current law, DPI is required to publish a school and school district accountability report by September of each year. The reports are required to include independent "2r" charter schools and private schools participating in a private school choice program beginning one year after the charter or private school begins using the state student information system. All independent "2r" charter schools and private schools participating in a private school choice program are required to begin using the student information system by the 2015-16 school year.

Joint Finance/Legislature: Approve the Governor's recommendation, with two technical corrections: (a) correct the weighting formula for measures of pupil achievement and growth based on each school or district's percentage of economically disadvantaged pupils; and (b) delete an incorrect cross-reference referring to a letter sent to parents by each school board regarding educational options.

Additionally, delete the language in the bill requiring that a school's level of performance and a school district's level of improvement is identified using a letter grade. Require that a school's level of performance and a school district's level of improvement be identified using between one and five stars out of five, with one star out of five assigned to a school or district that fails to meet expectations; two stars out of five assigned to a school or district that meets few expectations; three stars out of five assigned to a school or district that meets expectations; four stars out of five assigned to a school or district that exceeds expectations; and five stars out of five assigned to a school or district that significantly exceeds expectations, with the phrase "out of five" used in every instance.

Also, prohibit DPI from including data from a virtual charter school when measuring a school district's improvement under the school district accountability reports if at least 50% of the pupils in the virtual charter school are attending through the open enrollment program.

[Act 55 Sections: 3194 thru 3211 and 3312]

3. NOTICE OF EDUCATIONAL OPTIONS

Governor: Require that DPI include a link on the home page of its Internet site to

information about all of the educational options available to children at least three years old but not yet 18 years old, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program.

Require that each public school, independent "2r" charter school, and private school participating in a private school choice program annually provide the parent or guardian of each enrolled pupil with a list of the educational options available to children who reside in the pupil's resident school district, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program. Specify that the list would be provided simultaneously with a copy of the school accountability report.

Require that each school board annually, by January 31, publish as a class 1 notice and post on its Internet site a description of available educational options, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, and course options. Require that the notice and any letter sent with the notice include the most recent school accountability grade assigned to each school within the school district's boundaries, including public schools, private "2r" charter schools, and private schools participating in a private school choice program. Specify that any letter sent by the school board would inform parents that the full school and school district accountability report would be available on the school board's Internet site.

Joint Finance/Legislature: Modify with one technical correction to delete an incorrect cross-reference referring to a letter sent to parents by each school board regarding educational options and school accountability grades.

[Act 55 Sections: 3185, 3210, and 3312]

4. WHOLE GRADE SHARING

Governor: Allow the school boards of two or more school districts to enter into a whole grade sharing agreement under which all or a substantial portion of the pupils enrolled in one or more grades in any of the school districts could attend school in one or more of the other districts for all or part of the school day. A district participating in a whole grade sharing agreement would not be required to operate classes at every grade level if the grade were offered at another district participating in the agreement. The proposal would allow two or more school districts to consolidate pupils in a particular grade level by offering that grade in only one of the participating districts.

Require that school boards include the following in a whole grade sharing agreement: (a) the term of the agreement and the date by which each school board would notify the other participating school boards of its intent to renew the agreement; (b) the grade levels in each district that would be subject to the agreement; (c) the annual payment that the school board of a pupil's school district of residence would provide to the district of attendance; (d) which school board would grant diplomas to pupils who would graduate high school from a district other than

their district of residence; (e) which school board would be responsible for the pupil records of pupils who attended a non-resident district under the agreement; and (f) which school board would be responsible for transporting pupils to and from the school they would be attending under the agreement. The agreement could also specify which school board would provide transportation for pupils attending summer school under the agreement. If a school board would not provide transportation for all pupils, require reasonable uniformity in the minimum and maximum distances pupils would be transported. Require that a school board establish attendance areas within the school district for determining the school districts of attendance for pupils, if a school board entered into a whole grade sharing agreement with more than one district.

Provide that a school board could not enter into, extend, or renew a whole grade sharing agreement after February 1 of the school year before the school year the agreement, extension, or renewal would take effect. Require that a school board adopt a resolution stating its intention to enter into, extend, or renew a whole grade agreement at least 90 days before doing so. Within 10 days after the adoption of the resolution, the school district clerk would be required to publish a class 1 notice of the adoption in a newspaper published in the school district or, if no newspaper were published in the school district, post three notices as an alternative to newspaper publication.

Provide that a feasibility study of the whole grade sharing agreement could be requested through a petition signed by at least 20% of the electors residing in the school district and filed with the school board within 30 days after the school board published or posted a resolution stating its intention to enter into, extend, or renew a whole grade agreement. Require that a school board contract with an approved organization to conduct the feasibility study upon receiving the petition and post the results of the study on its Internet site. Prohibit a school board from entering into, extending, or renewing a whole grade sharing agreement until it received the result of the feasibility study, if one were required. Require that the State Superintendent approve organizations to conduct feasibility studies.

Require a school board to hold a public hearing in the school district at least 30 days before entering into, extending, or renewing a whole grade sharing agreement at which the proposed agreement would be described and any school district elector could comment. Two or more school districts that would be part of the agreement could hold a joint public hearing in one of the districts.

Provide that in the school year in which a whole grade sharing agreement would take effect and each of the following four school years, DPI would pay additional aid to each district participating in the agreement to ensure that no district would receive less state aid than the amount for which the district was eligible in the school year prior to the school year in which the agreement took effect. In the fifth school year following the agreement, each school district would be entitled to a payment equal to 66% of the payment that the school district received in the prior year, and in the sixth school year following the agreement, the school district would be entitled to a payment equal to 33% of the payment that the district received in the fourth school year following the agreement. Specify that the additional aid would be paid out of the general school aids appropriation. Provide that the school district providing transportation to pupils under the agreement would be eligible for state transportation aid.

Require that each school district include in its annual school district report the number of pupils residing in the district but attending a public school in another district under a whole grade sharing agreement, so that these pupils would be counted by the district of residence for purposes of revenue limits and general school aids. If a school board provided transportation to summer school pupils under a whole grade sharing agreement, require that the school district clerk file a report with DPI including information about summer school transportation as required by DPI.

Provide that a pupil attending a public school in a nonresident school district under a whole grade sharing agreement would have all of the rights and privileges of a resident pupil in that district, and would be subject to the same rules and regulations as resident pupils. Specify that a whole grade sharing agreement between school boards would satisfy the requirement to provide access for pupils in grades nine through 12 to study English, social studies, mathematics, science, vocational education, foreign language, physical education, art, and music, as required under the state's 20 standards for school districts. A pupil attending a nonresident school under a whole grade sharing agreement would be considered a resident of the nonresident school district for the purposes of participating in the programs of a cooperative educational service agency (CESA) or county children with disabilities education board (CCDEB).

Provide that if a pupil with a disability attended a public school in a nonresident school district under a whole grade sharing agreement, the school district that the pupil was attending would be considered the local education agency for the purposes of providing special education and related services required under current law, including identifying, locating, and evaluating the pupil, developing an individualized education program (IEP) and providing a free and appropriate public education, and informing the pupil's parents of changes to the pupil's identification, IEP, or educational placement. If a referral for special education services were made to the pupil's resident district by a physician, nurse, psychologist, social worker, administrator of a social agency, teacher, or other individual who believed the pupil had a disability, the resident district would be required to provide the school board of the pupil's district of attendance with the pupil's name and other related information. Require that at least one person designated by the school board of the pupil's district of residence who had knowledge or special expertise about the pupil would be included on the pupil's IEP team. Specify that the school district the pupil was attending would be responsible for providing an educational placement for the pupil and paying any tuition charges required by the placement. If a pupil with a disability was enrolled in a public special education program in another state and the State Superintendent concluded that the program fulfilled state requirements for special education pupils, the State Superintendent would certify to the Department of Administration to provide an amount equal to the amount spent by the pupil's district of attendance during the preceding year for additional costs associated with the child's special education program as costs eligible for reimbursement by special education aid. Provide that transportation for a pupil with a disability would be provided by the district required to provide transportation under the whole grade sharing agreement.

Specify that a pupil attending a nonresident district under a whole grade sharing agreement would not be considered an open enrollment pupil and that current law governing tuition payments for nonresident pupils would not apply.

Provide that a pupil attending a nonresident district under a whole grade sharing agreement

could not file a complaint objecting to the use of a race-based nickname, logo, mascot, or team name by the school board of the nonresident district.

Specify that a whole grade sharing agreement would not be considered an order of school district reorganization. A school district participating in a whole grade sharing agreement that did not operate sufficient classes at each grade level for two or more successive years would not be subject to attachment to another school district as is required under current law.

Provide that, for the purposes of indebtedness, a school district that did not operate one or more grades as a result of entering into a whole grade sharing agreement would be considered to be operating those grades.

Provide that all school districts, including Milwaukee Public Schools, could participate in a whole grade sharing agreement.

Joint Finance/Legislature: Modify the whole grade sharing proposal with the following changes:

a. Specify that the terms of a whole grade sharing agreement must be for one or more entire school years.

b. Specify that a whole grade sharing agreement could include prekindergarten and K4 and K5 programs.

c. Specify that school boards may not enter into, renew, or extend a whole grade sharing agreement after January 10 of the school year preceding the school year in which the agreement would take effect. Under current law, school boards must designate regular and special education open enrollment spaces at their January school board meetings.

d. Specify that a school board must adopt a resolution stating its intention to enter into, extend, or renew a whole grade sharing agreement at least 150 days before doing so to allow sufficient time for a feasibility study, if one is requested.

e. Require the school district clerk to file a certified copy of a whole grade sharing agreement with the State Superintendent within 10 days of entering into, extending, or renewing a whole grade sharing agreement.

f. Specify that a pupil's resident school district is responsible for providing transportation for pupils to and from the school district that they are attending under a whole grade sharing agreement, unless the agreement specifies otherwise. Specify that if a school district provides transportation for resident pupils to attend summer classes in the school district, transportation must also be provided to pupils who attend summer classes in the district under a whole grade sharing agreement. Require that a whole grade sharing agreement specify which school board would be responsible for providing summer school transportation.

g. Provide that the provisions of the bill related to additional state aid for districts in the first seven years following a whole grade sharing agreements would apply for new whole grade sharing agreements only, not for renewals.

h. Specify that if a whole grade sharing agreement provides for a pupil to attend a grade in a nonresident school district and the pupil is already enrolled in that district under the open enrollment plan, the pupil's open enrollment status would be suspended for that year. Specify that this would not prevent a pupil from attending the nonresident district in succeeding school years without reapplying, consistent with current law governing open enrollment.

j. Specify that DPI could promulgate rules to implement and administer the whole grade sharing program.

k. In 2016-17, require a resident school district to pay an amount equal to \$12,000 for a pupil with a disability attending a non-resident school under a whole grade sharing agreement. Provide that, beginning in the 2017-18 school year, the amount would equal the sum of the following, as determined annually by DPI: (a) the amount for the previous school year; (b) the amount of the per pupil revenue limit adjustment for the current school year, if positive; and (c) the change in the amount of statewide categorical aid per pupil between the previous school year and the current school year, if positive. The payment would be prorated if a pupil attended the school district under a whole grade sharing agreement for less than a full school year.

l. Specify that the district attended by a pupil under a whole grade sharing agreement would fulfill the responsibilities of the pupil's resident school district with regards to reviewing and approving or denying course options applications. The district attended by the pupil under a whole grade sharing agreement would do the following: (a) receive, from the educational institution at which the pupil wishes to take a course, a copy of the pupil's application, notification of whether the pupil was accepted, and notification of which school the pupil could attend; (b) receive notice from the pupil's parent of the pupil's intent to attend the course; (c) reject an application if the course conflicts with the pupil's individualized education program, does not satisfy a high school graduation requirement, or does not conform to the pupil's academic or career plan; (d) notify the pupil and the educational institution in writing if the pupil's application is denied by the school board and the reason for the rejection; and (e) notify the pupil in writing if the course does not fulfill a high school graduation requirement.

[Act 55 Sections: 2009, 2010, 3186, 3220, 3221 thru 3224, 3225 thru 3228, 3229, 3243 thru 3245, 3246, 3303, 3306, 3309i, 3309j, 3309L, 3309p, 3309t, 3309x, 3358j, 3393, 3394, 3397, 3402, 3404, and 3411]

5. PARTICIPATION IN ATHLETICS AND EXTRA-CURRICULAR ACTIVITIES

Joint Finance/Legislature: Require a school board to permit a pupil who resides in the school district to participate in interscholastic athletics or extracurricular activities on the same basis and to the same extent as pupils enrolled in the district, if the pupil is enrolled in a home-based private educational program. Provide that a school board may charge participation fees to a pupil enrolled in a home-based private educational program who participates in interscholastic athletics or extracurricular activities, including fees for uniforms, equipment, and musical instruments, on the same basis and to the same extent as these fees are charged to pupils enrolled in the district.

Specify that upon request, the home school program would be required to provide the school

board with a written statement that the pupil meets the school board's requirements for participation in interscholastic athletics based on age and academic and disciplinary records. Specify that no person could provide a false statement in response to such a request, and the school board could not question the accuracy or validity of the statement or request additional information.

Provide that a school district could not be a member of an athletic association unless the association required member school districts to permit home-based pupils to participate in athletic activities in the district.

Veto by Governor [B-6]: Delete provision prohibiting school district membership in an athletic association, unless the association requires members to allow pupils enrolled in a home-based private educational program to participate in athletics.

[Act 55 Section: 3245t]

[Act 55 Vetoed Section: 3245t]

6. RENEWAL OF CHILD CARE PROGRAM CONTRACT

Governor/Legislature: Delete current law requiring a school board to refer a child care provider to the Department of Children and Families for a criminal history and child abuse record search when renewing a contract for the provision of a child care program. Under the bill, the referral to the Department of Children and Families would only be required for a new contract. Current law allows school boards to provide child care programs for children directly or through a contract with a child care provider.

[Act 55 Section: 3390]

7. GEOGRAPHIC REPRESENTATION FOR SCHOOL BOARD OF UNIFIED SCHOOL DISTRICTS

Joint Finance/Legislature: Require that a unified school district that, on the effective date of the bill, encompasses a city with a population greater than 75,000 but less than 100,000 and encompasses at least two villages, elect school board members by a plurality of electors in election districts established through a representation plan. Specify that school board members in a unified school district that meets the above criteria after the effective date of the bill could adopt a resolution providing for the election of members from representative election districts.

Require that such a school district establish a representation plan that meets the following requirements: (a) provide for nine election districts within the school district of substantially similar population; (b) ensure that, to the extent practicable, each election district is compact and contiguous; and (c) ensure that, to the extent practicable, the boundaries of each election district and the boundaries of municipalities encompassed within the school district are congruent. Require that the election districts be numbered and divided into three classes such that one-third of the members of the school board are elected in each year.

Require that the school board adopt a district apportionment plan that apportions the territory of the district into election districts pursuant to the representation plan within 60 days after establishing the representation plan. Decennially thereafter, require the school board to adopt an apportionment plan within 60 days after the population count by census block, established in the decennial federal census of population, and maps showing the location and numbering of census blocks become available in printed form from the federal government or are published for distribution by a state agency.

Require that after the apportionment plan is adopted, candidates for school board file as a candidate for an identified election district. Require that school board members reside in the election district from which they are elected.

Specify that at the first election in which a district apportionment plan was implemented, the following would apply: (a) the first class of election districts from which members of the school board are elected would be elected to serve a term of one year; (b) the second class of election districts from which members of the school board are elected would be elected to serve a term of two years; and (c) the third class of election districts from which members of the school board are elected would be elected to serve a term of three years. Specify that the incumbent members of the school board who hold office at the time of the first election would cease to hold office at the time the members elected in that first election take office.

Specify that a district apportionment plan adopted after the spring election and before November 1 in any year would be implemented in the spring election following adoption of the plan. A district apportionment plan adopted after November 1 in any year would be implemented at the second following spring election.

Require that the school board of a unified school district that encompasses a city with a population between 75,000 and 100,000 and at least two villages on the effective date of the bill establish a representation plan and adopt an apportionment plan before November 1, 2015, and specify that the members of such a school board who hold office on the effective date of the bill would cease to hold office on the 4th Monday in April, 2016. Require that the district elect nine members at the election held in the spring of 2016 for terms established pursuant to the district apportionment plan and beginning on the 4th Monday in April, 2016.

This provision would apply to Racine Unified School District.

[Act 55 Sections: 3391e thru 3391s and 9134(5f)]

8. SALE OF EXCESS PROPERTY

Joint Finance/Legislature: Specify that the school board of a common or union high school district may sell any property belonging to and not needed by the district, rather than by vote at the district's annual meeting. Under current law, the sale of any property belonging to and not needed by a common or union high school district must be authorized by a vote at the district's annual meeting, at which every elector of the school district is eligible to vote.

[Act 55 Section: 3387p]

9. TEACHER AND ADMINISTRATOR CONTRACT RENEWALS

Joint Finance: Modify the date by which a school board must give teachers or administrators, business managers, school principals, and assistant principals, written notice of renewal or refusal to renew the teacher or administrator's contract to be 15 days after the passage of the state budget in odd-numbered years, and May 15th in even-numbered years. Specify that the teacher or administrator, business manager, school principal and assistant principal, must accept or reject the contract no later than 30 days after the renewal notification deadline.

Under current law, for teachers, the deadline for written notice of contract renewal or refusal is May 15 of each year, and the teacher must accept or reject the contract no later than June 15. For school district administrators, business managers, school principals, and assistant principals, current law requires the employing school board to give written notice of either renewal of the contract or of refusal to renew the contract at least four months prior to the contract's expiration. The individual is required to accept or reject the contract in writing at least three months prior to the contract's expiration. If no written notice is given, the contract continues in force for two additional years.

Senate/Legislature: Delete provision.

10. HIGH SCHOOL GRADUATION STANDARDS

Joint Finance/Legislature: Authorize a school board to adopt a resolution to allow high school pupils to earn credit through demonstrating a level of proficiency in a subject area or by creating a learning portfolio related to that subject area. Require that a school board develop written policies and procedures for awarding credit under this process. Require the board to include in its policies and procedures the manner in which a pupil may qualify for high school credit. A pupil could earn no more than half of the credits required for high school graduation through this process, and would still be required to participate in assessments required under state law. Require a non-profit, for-profit, or public educational institution that awards a bachelor's or higher degree or provides a program that is acceptable for full credit towards such a degree, or provides vocational training, and requires a high school diploma for admission, treat a high school diploma earned through this process as equivalent to a diploma earned through course completion.

Specify that a school board can waive state law requiring pupils to participate in a class or an activity approved by the school board during each class period of each class day, for pupils who are earning credit through demonstrating competency or creating a learning portfolio.

[Act 55 Sections: 3266b, 3266c, and 3266f]

11. OPPORTUNITY SCHOOLS AND PARTNERSHIP PROGRAMS

Joint Finance: Create an Opportunity Schools and Partnership Program (OSPP) within the Milwaukee Public Schools (MPS) under the management and control of a Commissioner

appointed by the County Executive. Create an OSPP within MPS under which the MPS Superintendent would have the authority to establish a program. Allow for an OSPP to be created in other school districts that meet certain conditions. Make various changes to current law related to MPS facilities and surplus property.

Opportunity Schools and Partnership Programs in Milwaukee

Selection of the Commissioner. Require the Governor, the Mayor of the City of Milwaukee, and the County Executive to each appoint a person who is not an elected official to compile a list of candidates for the position of Commissioner. Specify that, within 120 days after the effective date of the bill, the County Executive must select an individual to serve as the Commissioner from that list. In the event of a vacancy in the Commissioner position, require the County Executive to notify the Governor and Mayor, who shall follow the same procedure to fill the vacancy. Require the County Executive to select an individual to fill the vacancy within 120 days after providing notice. Specify that the Commissioner report to the County Executive and could only be removed from the position for cause. Specify that the County Executive would establish the salary for the Commissioner.

Provide that the Commissioner shall exercise the powers, duties, and functions prescribed by law under the supervision of the Milwaukee County Executive and independently of the MPS Board. Require that budgeting, program coordination, and related management functions for the schools transferred to this OSPP be performed by the Commissioner. Specify that this OSPP comprises individual eligible schools transferred by the Commissioner under the procedure established under the following provisions.

Selection of Schools for the Programs. Require the State Superintendent, by October 15, 2015, and annually thereafter, to submit a report to the Commissioner and the MPS Superintendent that identifies the eligible schools that are in Milwaukee County that are operated by a school district that has received the lowest rating on the most recent school district accountability report and that either received the lowest rating on the most recent school accountability report or was identified as a vacant or underutilized building. Specify that the report disaggregate the schools by elementary school, middle school, junior high school, high school, senior high school.

Require the Commissioner and the MPS Superintendent to each establish policies for providing qualitative analysis of each eligible school identified in the annual report submitted by the State Superintendent to determine whether the school is suitable for transfer to an OSPP. Specify that the MPS Superintendent may use the policies established by the Commissioner for this purpose. Require the Commissioner and the MPS Superintendent to include as criteria the interest within the school and the school's community of transferring the school to an OSPP, as determined from community engagement as evaluated by the Commissioner or the MPS Superintendent.

Require the Commissioner to select the following number of eligible schools in the indicated year from the report submitted by the State Superintendent, using the policies established above, to be transferred to his or her OSPP for operation in the following year: (a) no less than one and no more than three during the 2015-16 school year; (b) no more than three

during the 2016-17 school year; (c) no more than five during the 2017-18 school year and in each school year thereafter. Require the MPS Superintendent to select a similar number of schools as the Commissioner in each year for his or her OSPP after the Commissioner has made his or her selections for that year.

Require the Commissioner to develop a request-for-proposal (RFP) process for soliciting proposals from individuals, organizations, and governing bodies of private schools to operate and manage an eligible school upon transfer of the school to his or her OSPP. Specify that the MPS Superintendent may use the RFP proposal developed by the Commissioner. Require the Commissioner and the MPS Superintendent to initiate the RFP process for each selected school and, upon receipt of the proposals, specify that the Commissioner and the MPS Superintendent may engage the families of pupils enrolled in the school and community members and organizations to cultivate support for the transfer of the school to their OSPP, and make a determination regarding the entity that will operate the school.

Eligible Operators of Schools in the Programs. Require the Commissioner and the MPS Superintendent to determine which of the following will be responsible for the operation and general management of a school upon its transfer to their OSPP: (a) an individual or group operating an independent charter school; (b) the governing body of a nonsectarian private school participating in a private school choice program; or (c) an individual or group not currently operating a school. Specify that the Commissioner and the MPS Superintendent could transfer a school to an individual or group operating an independent charter school or the governing body of a choice school only if either of the following apply: (a) the performance of pupils attending a school operated by the individual, group, or governing body on pupil assessments exceeds the performance on the pupil assessments of pupils attending the school being transferred to the individual, group, or governing body; or (b) the performance category assigned to a school operated by the individual, group, or governing body on the accountability reports for each such school in each of the three preceding consecutive school years exceeds the performance category assigned to the school being transferred to the individual, group, or governing body in each of the three preceding consecutive school years. Provide that if fewer than three accountability reports have been published for the charter or choice schools, the Commissioner or the MPS Superintendent must determine an alternative method for comparing the schools' performance.

Provide that, if the Commissioner or the MPS Superintendent transfers a school to an independent charter operator, he or she enter into a five-year contract authorizing the individual or group to be responsible for the operation and general management of the school. Provide that Commissioner and the MPS Superintendent may only contract with a not-for-profit group under this procedure. Require that, under the terms of the contract: (a) the individual or group, and schools operated by the individual or group, be subject to the statutory provisions pertaining to pupil nondiscrimination and the waiver of laws and rules, with the exception of achievement guarantee contracts; (b) the individual or group must submit achievement data of pupils attending the school directly to the Commissioner or the MPS Superintendent, who shall submit that data to the MPS Board, and specify that, for reporting purposes, the Board may not modify the Commissioner's or the MPS Superintendent's report; and (c) the Commissioner or the MPS Superintendent must evaluate the performance of the school at the end of the third school year under the contract to determine whether the school is demonstrating adequate growth in pupil

achievement, and that if the Commissioner or the MPS Superintendent determines that a school is not demonstrating adequate growth in pupil achievement, he or she may select an alternative individual or group operating an independent charter school or a governing body of a choice school, under the procedures outlined above, to be responsible for the operation and general management of the school. Specify that similar provisions would apply for schools transferred to the governing board of a choice school, except that the statutory provisions under (a) above would apply to the governing body of the private school and the schools in an OSPP operated by the governing body, and that the provision under (b) above would include a provision that the governing body administer the assessment of reading readiness and the assessments required of schools participating in the Milwaukee private school choice program.

Require the Commissioner or the MPS Superintendent to become the agent of a lease with the City to take possession and exercise care, control, and management of all land, buildings, facilities, and other property that is part of a school being transferred to their OSPP. Specify that each principal have general supervision of and be custodian of all school premises over which the principal presides.

Transfer of Schools from the Programs. Specify that the Commissioner or the MPS Superintendent may transfer a school out of their OSPP if the Commissioner or the MPS Superintendent determines that the school has been placed in a performance category of "meets expectations" or higher on the three preceding consecutive accountability reports published for the school. Specify that a school transferred to an OSPP may not be transferred out of an OSPP for five consecutive school years. Provide that the Commissioner and the MPS Superintendent may: (a) return operation and general management of the school to the MPS Board; (b) transfer operation and management of the school to an individual or group as a non-instrumentality charter; or (c) transfer operation and general management of the school to the governing body of a private school. Specify that the Commissioner and the MPS Superintendent may not return operation of a school to MPS if either of the following applies: (a) the school remains an eligible school; or (b) MPS has received in the three most recent consecutive school years a grade of "fails to meet expectations," or its equivalent, on the school district accountability report.

Program Financing and Budgeting. Create a sum sufficient appropriation for payments to the operators of schools in the OSPP for the Commissioner and for the MPS Superintendent. Specify that the per pupil payment for a school operated by an individual or group under an OSPP would be equal to the per pupil payment under the "2r" charter program for that year. (In 2014-15, this payment was \$8,075 per pupil. Under the bill, it is estimated that the payment would be \$8,087 in 2015-16 and \$8,195 in 2016-17.) Specify that the general school aid that would otherwise be paid to MPS would be reduced by an amount equal to the payments from the OSPP appropriation. Specify that MPS would not be able to levy to backfill that aid reduction. Provide that MPS would count these pupils for revenue limit and equalization aid purposes.

Specify that the Commissioner and the MPS Superintendent could charge to schools in their OSPP a fee up to 3% of the per pupil payment amount beginning in 2017-18. Specify that the total amount of fee revenue for either the Commissioner or the MPS Superintendent could not exceed \$750,000 in a given year.

Require the Commissioner and the MPS Superintendent to prepare an annual budget for each public school transferred to their OSPP. Require the Commissioner and the MPS Superintendent to annually transmit their proposed OSPP budget to the MPS Board on forms furnished by the auditing officer of the City. Require the MPS Board to notify the Commissioner of the date, time, and place of the public hearing on the MPS budget at least 45 days before the hearing. Require the MPS Board to include the amount spent to operate the Commissioner and the MPS Superintendent OSPP schools and the amount spent to repair and maintain OSPP school buildings and equipment as part of the budget transmitted annually to the Common Council.

Specify that the Commissioner and the County Executive would be able to solicit private gifts and grants for use by the Commissioner for his or her OSPP. Specify that the County Executive and Commissioner would be able to spend the gift and grant money without oversight from the MPS Board and prohibit the County Board from having oversight or access to the gift and grant money.

Other Duties of the Commissioner and the MPS Superintendent. Require the Commissioner and the MPS Superintendent to assume general supervision over public schools transferred to their OSPP. Provide that the Commissioner and the MPS Superintendent and the schools operated by each be subject to state and federal special education law and to statutory provisions pertaining to pupil assessments, reading readiness assessments, pupil nondiscrimination, and the waiver of laws and rules, with the exception of achievement guarantee contracts.

Require the Commissioner and the MPS Superintendent to develop and manage partnership programs to more efficiently and effectively deploy wraparound services to residents of the County.

Require the Commissioner and the MPS Superintendent to provide alternative public school attendance arrangements for pupils who do not wish to attend a school that has been transferred to their OSPP. Prohibit an OSPP school from charging tuition.

Require the Commissioner to annually submit to the MPS Board and to the County Executive and the MPS Superintendent to annually submit to the MPS Board a report of the total number of pupils enrolled in all schools transferred to their OSPP in the current school year. For each school transferred to their OSPP, require the Commissioner and the MPS Superintendent to indicate the number of pupils enrolled in the school and whether the school is under the operation and general management of an individual or group under the charter program, the governing body of a private school in a private school choice program, or another individual or group.

Require the Commissioner and the MPS Superintendent to determine which of the following instruments will be used to provide health care and retirement benefits to the Commissioner and the employees of his or her OSPP and to employees of the MPS Superintendent's OSPP, and take the necessary and appropriate steps to execute the selected instrument: (a) a memorandum of understanding (MOU) with MPS under which the Commissioner or the MPS Superintendent may purchase health care and retirement benefits; (b)

a MOU with Secretary of Employee Trust Funds (ETF) under which the Commissioner or the MPS Superintendent may purchase health care and retirement benefits, with statutory contributions; or (c) a contract between the Commissioner or the MPS Superintendent and a person operating a charter school or the governing body of a private school under which the person or body is required to self-insure or purchase health care and retirement benefits for employees of the school. Allow the Secretary of ETF to enter into such a MOU, unless it would result in a violation of federal tax laws.

Require the Commissioner to identify broad yearly objectives and assess priorities for education in his or her OSPP. Require the Commissioner to issue an annual report to the County Executive and such additional reports as the Commissioner deems desirable on the progress of pupils enrolled in schools in his or her OSPP.

Require the Commissioner or the MPS Superintendent to provide for the transportation of pupils to and from any school transferred to their OSPP. Upon written request from the parent or guardian of a pupil attending a school transferred to an OSPP who is displaced from his or her residence while enrolled in that school, require the Commissioner or the MPS Superintendent to provide transportation assistance to ensure that the pupil may continue to attend the school.

Require the Commissioner and the MPS Superintendent to follow the same expulsion policy in their OSPP schools as established by the MPS Board. Require a school in an OSPP to use random selection if the number of applicants exceeds the number of seats.

Create parallel provisions for the duties of the Commissioner and the MPS Superintendent for their OSPP as exist for the duties of the MPS Board with respect to the custodian of school premises, competitive bidding, comprehensive programs, and alternative routes to graduation.

Powers of the Commissioner and the MPS Superintendent. Provide that the Commissioner and the MPS Superintendent may do all things reasonable to promote the cause of education in schools transferred to their OSPP, including establishing, providing, and improving school district programs, functions, and activities for the benefit of pupils. Specify that the Commissioner or the MPS Superintendent may form a council to advise him or her in the fulfillment of his or her duties. Provide that the Commissioner may enter into a contract for cooperative action under the statutory provisions for intergovernmental cooperation. Specify that the MPS Superintendent may enter into a contract for cooperative action under the statutory provisions for intergovernmental cooperation without the approval of the MPS Board. Provide that the Commissioner and the MPS Superintendent may adopt and modify or repeal rules for the operation of their OSPP and for the organization, discipline, and management of the public schools transferred to their OSPP which shall promote the good order and public usefulness of the public schools.

Specify that the Commissioner and the MPS Superintendent may become an agent of the Board on a lease in a vacant or underutilized school. Specify that, if the Commissioner or the MPS Superintendent enters into a lease with an educational operator to operate a school in such a building, the facility would count towards the limit on the number of schools in their OSPP, but not for the purposes of performance benchmarking.

Provide that that Commissioner and the MPS Superintendent may select, hire, and employ staff and terminate staff if appropriate. Require the Commissioner and the MPS Superintendent to determine the compensation, duties, and qualifications for their staff. Allow the Commissioner and the MPS Superintendent to delegate school staffing decisions to an individual or organization with a contract to operate a school. Specify that these staff would not be subject to the statutory provisions regarding civil service for a city of the first class. Provide that if the Commissioner or the MPS Superintendent transfers a school to their OSPP, he or she may reassign the school's staff members out of the school without regard to seniority in service. Require the Commissioner or the MPS Superintendent to terminate all employees of the school who are MPS employees and require any individual seeking to remain employed at the school to reapply for employment at the school. Specify that employees of an OSPP are not employees of the MPS Board. Upon transfer of a school out of an OSPP, require the Commissioner or the MPS Superintendent to reassign staff members of the school only in consultation with the Board.

Create parallel provisions for the powers of the Commissioner and the MPS Superintendent for their OSPP as exist for the powers of the MPS Board with respect to rules, distribution of printed proceedings, accident insurance, textbooks for indigent pupils, school calendar, school hours, days for closed schools, pupil enrollment under their legal name, employees, bonded officers and employees, sales and charges, gifts and grants, copyright materials, fences, rules on conduct and dress, and designating records custodians.

Other Provisions. Require the Legislative Audit Bureau (LAB) to prepare a performance evaluation audit of all the programs beginning in 2017 and biennially thereafter. Modify the LAB statutes regarding access to documents and records to treat an OSPP similarly to school districts.

Provide that the Commissioner be subject to all restrictions, liabilities, punishments, and limitations, other than recall, prescribed by law for members of the Milwaukee Common Council.

Specify that the Corporation Counsel of the County would be the legal adviser of and attorney for the Commissioner and his or her OSPP, except that the Commissioner would retain an attorney in any matter if the County Executive, the County Corporation Counsel, or the Commissioner determines that any of the following applies: (a) the Commissioner or his or her OSPP requires specialized legal expertise not possessed by the County Corporation Counsel; (b) the County Corporation Counsel does not have sufficient staff to adequately represent the interests of the Commissioner or his or her OSPP; or (c) a conflict of interest exists. Require the County Corporation Counsel to notify the Commissioner as soon as a determination is made. Require the Commissioner to provide the County Corporation Counsel with reasonable notice of any meeting at which the Commissioner will consider retention of an attorney.

Prohibit the MPS Board from setting any limit on the enrollment of MPS pupils in non-instrumentality charter schools.

Require the Board to transfer to the Commissioner or the MPS Superintendent the possession, care, control, and management of all land, buildings, facilities, and other property that is part of the school being transferred immediately upon the transfer of a public school to

their OSPP.

Specify that an OSPP school operated by the governing board of a private school would be included in the statutory provisions regarding transfer of pupil records, adoption of pupil academic standards, pupil assessments, the volunteer health care provider program, and the notification by courts of correctional placements.

Specify that the list of statutory provisions that apply to a school district in a city of the first class would not apply to the Commissioner or any school transferred to his or her OSPP unless explicitly provided by law or in the terms of a contract.

Opportunity Schools and Partnership Program in Other Districts

Create a process under which a program substantially similar to the programs described above for MPS could be created in another school district. Specify that, for the purpose of this program, an eligible school district is one that satisfies all of the following: (a) the district was assigned to the lowest performance category on two school district accountability reports in the most recent consecutive years; (b) the district has a pupil membership of over 15,000; and (c) the district received intradistrict transfer aid in the two school years in which the district was assigned the lowest performance category on the school district accountability reports. (In the last two school years, MPS was the only district to be assigned to the lowest of the five categories of "fails to meet expectations" on the school district accountability reports. Madison and Racine met the other two criteria. In the last two accountability reports, Racine was assigned the second-lowest category of "meets few expectations," while Madison was assigned the middle category of "meets expectations.")

Require the State Superintendent to notify the Governor, the appropriate County Executive (defined as the chief elected official of the county within which all or the majority of the territory of an eligible school district lies), and the appropriate Mayor (defined as the mayor of the city within which all or the majority of the territory of an eligible school district lies) as soon as he or she determines under an annual requirement that a district qualifies as an eligible school district. Require that, within 120 days after receiving this notice, the Governor, the Mayor, and the County Executive compile a list of candidates for Commissioner of the OSPP. Require that the County Executive select a Commissioner for an OSPP from that list.

Require the State Superintendent to provide a similar report as that under the Milwaukee programs to the Commissioner of this OSPP identifying eligible schools (defined as those schools assigned to the lowest performance category on the most recent school accountability reports) in the eligible school district. Require the report to be submitted by October 15 of the first year in which the State Superintendent determines that a district is an eligible school district, and annually thereafter.

Provide that the Commissioner would establish an OSPP that is substantially similar to the OSPP under the Milwaukee County Executive described above. Specify that the Commissioner of this OSPP would have all of the powers and duties granted to the Commissioner of the OSPP under the Milwaukee County Executive. Specify that the OSPP in an eligible school district would comprise the individual eligible schools transferred by the Commissioner in the manner

provided for the OSPP under the Milwaukee County Executive.

Specify that payments would be made on behalf of pupils attending schools transferred to this OSPP from the same appropriation and in the same manner as payments are made for the OSSP under the Milwaukee County Executive. Specify that adjustments would be made to the amount of state aid received by the eligible school district in the same manner as the OSSP under the Milwaukee County Executive.

MPS Facilities and Surplus Property

Require the MPS Board to specify the net proceeds from the sale of an eligible school building or from the sale of a school building to an individual or group participating in the OSPP that was deposited into the school operations fund in the immediately preceding school year as part of the budget transmitted annually to the Common Council. Specify that these moneys would be included in the school operations fund, and would be used in the same manner as the school operations fund under current law.

Require the MPS Board to prepare an inventory of all school buildings in the district within 30 days of the effective date of the bill and annually thereafter, with information sorted by the use of the building at the time the report is prepared. Specify that the inventory would include all of the following: (a) the total square footage of and number of classrooms; (b) the portion of the total square footage used for direct pupil instruction; (c) the total number of pupils the building can accommodate and the number of pupils receiving instruction in the building; (d) the name of the principal and the number of full-time instructional staff assigned to the school; (e) the manner in which the school building is being used, if not for direct pupil instruction, including whether the building is vacant or is being used for administration, storage, or professional development; (f) the duration of time in the past 36 months that the school building has been used for direct pupil instruction or for other purposes; (g) whether the MPS Board has identified the building as surplus, underutilized, or vacant on any resolution within the previous five years; and (h) facility condition index information, including estimated short-term and long-term maintenance costs. Require the MPS Board to submit a copy of this inventory to the Commissioner, the Superintendent of MPS, the City Clerk, DPI, and Joint Committee on Finance (JFC). In addition, the Board would be required to notify the Commissioner, the Superintendent of MPS, the City Clerk, DPI, and JFC annually any time a change is made to the use of a school building.

Specify that the Common Council could designate a person to act as the agent of the City with respect to the sale of an eligible school building. Define an eligible school building as any school building that has been designated as surplus, underutilized, or vacant in a resolution adopted by the MPS Board within the previous five years unless the Board is able to demonstrate that the designation no longer applies, or a building that has been unused or underutilized for a period of 12 consecutive months, including the 12 months preceding the effective date of the bill. Define an underutilized building as one at which less than 40% of the capacity of the school building is used for instruction of pupils on a daily, school day basis if any of the following applies: (a) the school is not part of an active expansion plan in which the MPS Board can demonstrate to the Common Council that expansion will occur in the following school year; (b)

pupil enrollment in the school has declined in at least two of the three immediately preceding school years; or (c) the school was placed in one of the two lowest performance categories on the school accountability report published for the school year in which less than 40% of the capacity of the school building is used, and there is another MPS school building located within five miles that serves the same or similar grade levels and at which no more than 60% of the building's capacity for pupil instruction is being used. Alternatively, define an underutilized school building as one which is not staffed on a full-time basis by a principal and instructional staff assigned exclusively to the school building, unless the building is staffed on a full-time basis by instructional staff assigned exclusively to that building but shares a principal with another school, or as a school in which the number of hours of pupil instruction offered in the previous school year was less than 80% of the number of hours required under current law.

Provide that only education operators could purchase an eligible school building. Define an education operator as any of the following: (a) the operator of an independent "2r" charter school; (b) the operator of a private school; (c) the operator of a charter school that is not an instrumentality of MPS; (d) an individual or group that is pursuing a contract with an entity to operate an independent "2r" charter school; (e) a person that is pursuing a contract with the Board to operate a charter school that is not an instrumentality of MPS; or (f) any entity or organization that has entered into a written agreement with any of the operators in (a) through (d) to purchase or lease a building within which the operator will operate a school.

Require that if the Commissioner or the Superintendent of MPS submits a letter of interest within 60 days after receiving the inventory or change notice, the Common Council immediately proceed to add the Commissioner or Superintendent as an agent of the Board on any existing lease for the building between the Common Council and the Board. Provide that if neither the Commissioner nor the Superintendent submit a letter of interest, the City Clerk would be required to post a public notice on the City's Internet site no more than 60 days after receipt of the inventory or notice of changes in the use of a school building. Specify that the public notice would include the following for each building identified as an eligible school building: (a) the address; (b) the total square footage of and number of classrooms in the building; and (c) facility condition index information. Require that the public notice include a request for and instructions for submitting letters of interest from persons interested in purchasing an eligible school building.

Following the receipt of a letter of interest, the City Clerk would be required to update the portion of the City's Internet site containing information about the eligible building to indicate the receipt of the letter and inform other interested education operators that they may also submit letters of interest to the Common Council or its agent within 28 days. If no other letters are received, the Common Council or its agent would be required to do the following within a period of 60 days after the first business day following the end of the 28-day period: (a) determine whether the prospective buyer meets the definition of an education operator; (b) make information about the building available and show the building to the education operator; (c) consider the financial capability of the education operator; and (d) negotiate a reasonable purchase price and terms, based upon an appraisal of the building that includes the purchase price paid for other comparable buildings, or based on the purchase price paid for comparable school buildings sold within the past five years, considering differences in useable square

footage, age, condition, location, and any other pertinent information; and (e) complete the sale of the building, in accordance with standard City practices. The Council or its agent could condition closing of a sale on the following: (a) proof of financing for the purchase and any improvements proposed for the building; or (b) inclusion of a reversionary clause permitting the Council to recapture a building that remains unoccupied 24 months after the date of closing due to the failure of the purchaser to complete proposed improvements. The Common Council could not require the education operator to make a payment in lieu of property taxation or to pay a similar fee as a condition of the sale of the eligible building.

If multiple education operators submitted letters of interest within the 28-day period, require the Common Council to initiate a competitive request-for-proposal process and identify members of a committee to select the most suitable buyer for the building within 50 days after the other education operator submits a letter of interest. Specify that the Common Council could not consider the organizational status or type of proposed school when selecting a buyer, but could consider the nature of proposed improvements and amount of any investment in the building, the quality of the proposed design for the building, and the fiscal capability of the education operator. Provide that once a buyer was selected, the Common Council would proceed with the selected buyer using the same procedure as if only one interested operator had submitted a proposal.

Provide that any person, including someone who is not an education operator, could submit a letter of interest to purchase a school building that has qualified as an eligible school building for more than 24 consecutive months. Require that, upon receipt of a letter of interest, the Common Council proceed with the prospective buyer using the same procedures as for education operators. Specify that this provision would first apply to a school building that qualifies as an eligible school building on the effective date of the bill.

Provide that the net proceeds from the sale of any eligible school building would be deposited into the school operations fund.

Require the MPS Board to retain an attorney to represent the Board in any matter if the Mayor, the Common Council, the City Attorney, or the Board determine that any of the following conditions are met: (a) the matter requires specialized legal expertise not possessed by the City Attorney; (b) the City Attorney does not have sufficient staff to adequately represent the Board; or (c) there is a conflict of interest. Require the City Attorney to notify the Board as soon as a determination is made that the City Attorney is unable to represent the Board.

Senate/Legislature: Modify Joint Finance provisions to specify that the Commissioner or the MPS Superintendent could transfer operation and management of a school under their OSPP to a person operating any type of charter school, rather than limiting eligibility to only a person operating an independent charter school.

Veto by Governor [B-11]: Delete the provision allowing the Commissioner to act on behalf of other authorities for the designation of records. (As passed by the Legislature, the bill would have created parallel provisions for the powers of the Commissioner of the OSPP as exist for the powers of the MPS Board in a number of areas, including designating records custodians. Under that provision, the bill would have allowed the Commissioner to designate one or more

persons to be legal custodians of records on behalf of specified state or local authorities, including for the Commissioner.)

[Act 55 Sections: 63m, 64m, 66d thru 67r, 567m, 1389f, 1907p, 1923m, 1948f, 1948p, 1966m, 3184p, 3184r, 3229r, 3229s, 3245s, 3248h, 3253, 3266h, 3266m, 3266o, 3358b thru 3358w, 3384c thru 3386t, 3387n, 3391dm, 3483g, 3483r, 4702r, and 9334(3j)]

[Act 55 Vetoed Section: 3387n (as it relates to Commissioner records custodian powers)]

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget by \$601,600 GPR, \$538,200 FED, and \$1,001,700 PR in 2015-16 and \$646,000 GPR, \$539,000 FED, and \$1,001,700 PR in 2016-17 and a reduction of 1.00 FED position in 2015-16 and 6.00

	Funding	Positions
GPR	\$1,247,600	0.00
FED	1,077,200	- 6.00
PR	<u>2,003,400</u>	<u>- 1.00</u>
Total	\$4,328,200	- 7.00

FED positions and 1.00 PR positions in 2016-17 for: (a) turnover reduction (-\$413,100 GPR and -\$479,200 FED annually); (b) removal of noncontinuing items from the base (-1.00 FED position beginning in 2015-16 and an additional -5.00 FED positions and -1.00 PR position beginning in 2016-17); (c) full funding of continuing salaries and fringe benefits (\$632,300 GPR, \$951,600 FED, and \$987,700 PR annually); (d) overtime (\$274,300 GPR, \$50,200 FED, and \$13,800 PR annually); (e) night and weekend differential pay (\$55,400 GPR, \$400 FED, and \$200 PR annually); and (f) full funding of lease and directed moves costs (\$52,700 GPR and \$15,200 FED in 2015-16 and \$97,100 GPR and \$16,000 FED in 2016-17).

2. ELIMINATE LONG-TERM VACANCIES [LFB Paper 535]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$318,200	- 2.96	\$0	0.00	- \$318,200	- 2.96
FED	0	- 1.30	- 161,000	0.00	- 161,000	- 1.30
PR	<u>0</u>	<u>- 1.95</u>	<u>- 327,200</u>	<u>0.00</u>	<u>- 327,200</u>	<u>- 1.95</u>
Total	- \$318,200	- 6.21	- \$488,200	0.00	- \$806,400	- 6.21

Governor: Delete positions that have been vacant for 12 months or longer in the following appropriations: (a) general program operations -- Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired (-2.96 GPR positions and -\$159,100 GPR annually); (b) federal aids -- program operations (-1.30 FED positions annually); (c) data processing (-1.70 PR positions annually); and

(d) funds transferred from other state agencies -- program operations (-0.25 PR positions annually).

Joint Finance/Legislature: Modify the Governor's recommendation by reducing funding by \$80,500 FED and \$163,600 PR annually to reflect the salary and fringe benefits associated with the 1.30 vacant FED positions and 1.95 vacant PR positions that would be deleted under the bill.

3. LAPSE REQUIREMENT

Governor/Legislature: Specify that the 2013 Act 145 requirement that the Department of Public Instruction lapse \$1,049,300 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. (See "Budget Management and Compensation Reserves.")

[Act 55 Section: 4749]

4. STATEWIDE PUPIL ASSESSMENT [LFB Paper 536]

GPR	\$8,135,300
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Governor/Legislature: Provide funding of \$2,091,400 in 2015-16 and \$3,043,900 in 2016-17 above base year funding of \$14,588,500 in the appropriation for the state's pupil assessment program for the Dynamic Learning assessment administered to pupils with disabilities and the ACT assessment administered to pupils in grades nine through 11.

Prohibit the State Superintendent from participation in the Smarter Balanced Assessment Consortium, beginning on the effective date of the bill. Beginning in the 2015-16 school year, prohibit the State Superintendent from adopting or approving an assessment developed by the Smarter Balance Assessment Consortium. Provide an additional \$1,500,000 annually in the appropriation for the pupil assessment program to fund development costs associated with implementing a new statewide assessment.

Under current law, the State Superintendent must adopt or approve a statewide standardized pupil assessment. Wisconsin joined the Smarter Balanced Assessment Consortium, a group of states and territories collaborating to develop a new student assessment system aligned with the Common Core State Standards, in 2010. Funding of \$2,782,500 was included in the 2013-15 biennial budget to administer the Smarter Balanced assessments and alternative science and social studies assessments in 2014-15 for pupils in grades three through eight. The first full administration of the new assessments will take place in the spring of 2015. The bill would require the State Superintendent to adopt or approve a new statewide standardized assessment.

[Act 55 Sections: 3189 and 3248b]

5. REQUIREMENTS FOR STATEWIDE ASSESSMENT SYSTEM

Joint Finance/Legislature: Require DPI to review and adopt or approve a summative assessment system for federal and state accountability purposes beginning in 2015-16. Specify that the system would be used to annually assess pupils in grades three through ten in the subjects of English, reading, writing, science, and mathematics. Specify that the assessment would be administered to all public school pupils in specified grades, including those students as required under federal law.

Require that the assessment system meets the following criteria: (a) be a vertically-scaled, standards-based system of summative assessments; (b) document student progress toward national college and career readiness benchmarks derived from empirical research and state standards; (c) be capable of measuring individual student performance in the following subject matter areas: English, reading, writing, science, and mathematics; (d) be able to be administered primarily in computer-based format, with paper and pencil format available for limited circumstances; and (e) be a predictive measure of student performance on college readiness assessments used by institutions of higher education.

Current state law requires assessments to be administered to pupils in the 4th, 8th, 9th, 10th, and 11th grades, while federal law requires English and mathematics assessments to be administered to pupils in 3rd through 8th grades and science assessments to be administered once each in elementary, middle, and high school grades. The State Superintendent is required to develop an educational assessment program to measure pupil achievement in reading, writing, science, mathematics, and social studies. This provision would establish specific requirements for annual English, reading, writing, science, and mathematics assessments for pupils in grades three through ten, but would not specify changes to the social studies assessment required to be included in the educational assessment program developed by the State Superintendent.

Veto by Governor [B-5]: Delete provision.

[Act 55 Vetoed Sections: 3248b (as it relates to renumbering 118.30(1)(a)) and 3248c]

6. ALTERNATIVE ASSESSMENT [LFB Paper 537]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,500,000	- \$1,500,000	\$0

Governor: Provide \$750,000 annually in a new annual appropriation to fund the identification of alternative assessments by the UW-Madison Value Added Research Center (VARC).

Require that DPI request from VARC a list of nationally recognized, norm-referenced alternative assessments determined by VARC to be acceptable for statistical comparison with the assessment adopted or approved by the State Superintendent within 30 days of the effective date

of the bill. Require that VARC evaluate and approve at least three and no more than five alternative assessments and submit the list of approved assessments to DPI within 90 days of the effective date of the bill.

Require that the alternative assessments approved by VARC meet the following requirements: (a) align sufficiently with content standards established for the assessment adopted or approved by the State Superintendent; (b) use a variety of testing methodologies, including multiple choice and short answer, to assess a range of pupil skills; (c) include accommodations or alternative assessments for pupils enrolled in a special education program; (d) provide translations for pupils with limited English proficiency; (e) allow a variety of testing modes, including with paper and pencil, in an online format, in a fixed form format, and in an adaptive format; and (f) have internal consistency reliability coefficients of at least 0.8.

Provide that a school board, an operator of an independent "2r" charter school, or a private school participating in a private school choice program would not be required to administer an assessment adopted by the State Superintendent in any grade for which an assessment is required if the school or school district administered an alternative assessment approved by VARC in that grade, beginning in the 2015-16 school year. Require that a school board, an operator of an independent "2r" charter school, or a private school participating in a private school choice program notify DPI of its intent to administer an alternative assessment and annually publish information about the alternative assessment on its Internet site, if the school board, charter school operator, or private school maintains an Internet site and chooses to administer an alternative assessment.

Require that a school board, independent "2r" charter school operator, or private school participating in a private school choice program that chose to administer an alternative assessment approved by VARC submit the results of that assessment to VARC. VARC would review the assessment results and statistically equate them to results from the assessment adopted or approved by the State Superintendent. VARC would provide the assessment data, as statistically equated, to DPI and to the school board, independent "2r" charter school operator, or private choice school. DPI would use the statistically equated data to determine the school or school district's accountability grade.

Provide that if a school administers an alternative assessment in any grade, and the cost of the alternative assessment exceeds the cost of the assessment approved or adopted by the State Superintendent for that grade, the school board, independent "2r" charter school operator, or governing body of the private choice program school would be responsible for paying the difference between the two costs.

Specify that a school board or the operator of an independent "2r" charter school would not be required to administer the statewide assessment or an alternative assessment identified by VARC to pupils in fourth or eighth grade if all of the following occurred: (a) the school district or independent "2r" charter school administered its own fourth and eighth grade assessments; (b) the school district or independent "2r" charter school operator submitted the results to VARC to be statistically correlated with the results of the statewide assessment; (c) VARC provided the statistical correlations to the State Superintendent; and (d) the federal Department of Education

approved.

Provide that alternative assessment scores could be used instead of statewide assessment scores for the following purposes: (a) identifying an eighth grade pupil at risk of not graduating from high school; (b) promoting a pupil from the fourth to the fifth grade; or (c) promoting a pupil from the eighth to the ninth grade.

Require that a school board, the operator of an independent "2r" charter school, or a private school participating in a private school choice program excuse a pupil from taking an alternative assessment at the request of the pupil's parent or guardian. Provide that if a school board entered into an agreement with a federally recognized American Indian tribe or band in Wisconsin to establish a charter school, the school district would be required to administer the assessment adopted or approved by the State Superintendent or an alternative assessment identified by VARC, regardless of the location of the charter school.

Joint Finance/Legislature: Modify the Governor's recommendation to specify that the provisions related to alternative assessments would only apply after a federal waiver was granted that would allow to allow the state to approve between three and five assessments, with each school district, independent "2r" charter school, and private choice school able to select an assessment to administer in each year from the approved list. Require DPI to request such a waiver from the federal Department of Education.

Transfer the funding provided in the bill, equal to \$750,000 GPR annually, to the Joint Finance Committee's appropriation until a waiver is granted. Provide that the Committee would consider release of the funding at its next quarterly meeting under s. 13.10 of the statutes following federal approval of the waiver request. Require DPI to request from VARC a list of nationally recognized, norm-referenced alternative assessments that are acceptable for statistical comparison with the assessment adopted or approved by the State Superintendent within 30 days of the release of the funds by the Committee, and require VARC to evaluate and approve at least three and no more than five alternative assessments and submit the list of approved assessments to DPI within 180 days of the release of the funds by the Committee. Specify that school districts, independent "2r" charter schools, and private choice schools could administer the alternative assessment instead of the assessment chosen by the State Superintendent beginning in the first full school year following the date on which VARC submitted the list of approved assessments to DPI.

[Act 55 Sections: 561, 3184m, 3247, 3250, 3252, 3259 thru 3266, 3267, 3268, 3269, 3270, 3279, 3356, and 3383]

7. ELIMINATE STATEWIDE PUPIL ASSESSMENT IN FALL OF NINTH GRADE [LFB Paper 536]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	- \$1,148,000	- \$1,148,000

Governor: Delete current law requiring public schools, independent "2r" charter schools, and private schools participating in a private school choice program to administer a ninth grade assessment in the fall of each year. Under current law, the ACT Aspire early high school assessment is administered to pupils in both the fall and the spring of their ninth grade year.

Joint Finance/Legislature: Modify the Governor's recommendation by reducing funding by \$574,000 GPR annually to reflect the decrease in costs associated with administering only one assessment to ninth grade pupils.

[Act 55 Sections: 3249, 3251, 3254, and 3257]

8. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- \$546,400
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Governor/Legislature: Delete \$158,700 in 2015-16 and \$387,700 in 2016-17 as a reestimate of debt service payments for the state residential schools. Annual base level funding is \$1,394,100.

9. STATE DATA CENTER HOSTING

GPR	\$350,000
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Governor/Legislature: Provide \$175,000 annually above base level funding of \$3,313,100 in the appropriation for the state's longitudinal data system. The additional funding would be used for technical support services provided by DOA's Division for Enterprise Technology, which houses a centralized hosting system for the Wisconsin Information Systems for Education (WISE) software programs. The data system hosts data for WISEdash, which provides multi-year education data about Wisconsin schools and districts; WISElearn, which will provide statewide access to digital learning materials; and other DPI programs. Funding would include \$150,000 annually to cover the current level of costs, as well as \$25,000 annually to allow for expected growth as more applications and services are shifted to the centralized system.

10. FUEL AND UTILITIES FUNDING

GPR	- \$20,600
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Governor/Legislature: Delete \$19,400 in 2015-16 and \$1,200 in 2016-17 to reflect estimated costs for fuel and utilities for the state residential schools. Annual base level funding is \$613,200.

11. FEDERAL REVENUE REESTIMATES

FED	\$205,420,000
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Governor/Legislature: Reestimate federal revenues by \$102,710,000 annually for the following: (a) federal aids -- program operations (\$1,700,000 annually); (b) federal aids -- local aid (\$95,710,000 annually); and (c) federal funds -- individuals and organizations (\$5,300,000 annually). DPI indicates that the reestimate does not reflect an anticipated increase in federal funding over base level funding, but rather reflects federal funding that exceeds the amounts currently shown in the appropriation schedule. DPI projects flat or slightly decreasing federal

revenue over the upcoming biennium.

12. PROGRAM REVENUE REESTIMATES

PR	- \$146,800
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Governor/Legislature: Reestimate PR expenditures by -\$73,400 annually for the following: (a) general educational development and high school graduation equivalency (\$16,600 annually); (b) services for drivers (-\$93,500 annually); (c) publications (\$45,000 annually); and (d) professional services center charges (-\$41,500 annually).

13. BADGERLINK

SEG	\$551,000
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Governor/Legislature: Provide \$245,300 in 2015-16 and \$305,700 in 2016-17 above base level funding of \$2,596,500 for the service that provides online access to full text newspapers, magazines, reference books, literature, and other print publications for state residents. The additional funding would maintain current contracts with vendors, including the contract with the Wisconsin Newspaper Association, which is being re-bid in the second year of the biennium. The segregated funding for BadgerLink is provided from the state universal service fund, which receives its revenue through assessments on annual gross operating revenues from intrastate telecommunications providers.

14. TRANSFER OF UNENCUMBERED BALANCES

Governor: Require the transfer of any unencumbered balances remaining in the following SEG appropriations on June 30 of each year to the appropriation for broadband expansion grants under the Public Service Commission: (a) periodical and reference information services, including Newsline for the Blind; (b) aid to public library systems; and (c) library service contracts.

Joint Finance/Legislature: Delete provision.

15. TRANSFER OF POSITION AUTHORITY

Governor/Legislature: Transfer 1.19 FTE GPR positions from the appropriation for WISElearn to the appropriation for general program operations.

16. DELETE OBSOLETE APPROPRIATION

Governor/Legislature: Delete the DPI appropriation for a grant to the La Causa Charter School.

Under the 2007-09 biennial budget act (2007 Act 20), \$250,000 was provided in 2007-08 for the La Causa Charter School in the City of Milwaukee for library, science, and technology improvements. Funding for the grant was provided from the universal service fund. Under Act

20, no moneys could be encumbered from the appropriation after June 30, 2008.

[Act 55 Section: 569]

17. ALTERNATIVE TEACHING LICENSE [LFB Paper 538]

PR	\$40,000
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Governor: Require the State Superintendent to grant a teaching license to an individual who meets all of the following requirements: (a) has a bachelor's degree; (b) demonstrates proficiency in the subject area or areas that he or she intends to teach by passing a competency exam approved by DPI; and (c) has relevant experience in the subject area or areas that he or she intends to teach, as determined by DPI. Specify that a license granted to an individual meeting these requirements would authorize the individual to teach in grades six through 12 only in the subject area or areas in which he or she demonstrated proficiency and relevant experience. The license would be valid for three years, and would be renewable for three year periods. Provide \$20,000 annually above base level funding of \$3,417,000 to reflect the estimated increase in revenue associated with the alternative licensing process.

Under current law, the State Superintendent is required to establish rules and procedures for teacher licensing. Administrative rules established by DPI allow an individual with no teaching experience to qualify for a teaching license upon satisfying the following requirements: (a) has a bachelor's degree with a major in the subject area he or she intends to teach; (b) seeks a teaching license in a shortage area, including mathematics, science, special education, English as a second language, bilingual/bicultural, world languages, technology education, or business education; and (c) completes an alternative route education program approved by DPI. An individual who meets these current law requirements qualifies for an initial educator license, which is valid for a period of five years. The initial educator license is non-renewable. An educator may apply for a professional educator license after completing a professional development plan and obtaining at least three years of experience.

Joint Finance/Legislature: Delete the Governor's recommendation. Instead, establish two alternative methods for the granting of teaching licenses. Specify that other current law requirements regarding teacher licensing would not apply, except that the individual would be required to undergo a background investigation like other candidates for licensure.

a. *Experience-Based Licensure for Technical Education*

The first alternative method would require DPI to grant an initial teaching license to teach a technical education subject, including technology education and any technology related occupation, to an individual who scores at least 100 points based on a point system, with at least 25 points based on the individual's experience in a technical field and at least 25 points based on pedagogical experience, and agrees to complete a curriculum determined by the school board of the district in which the individual would teach. An individual granted a teaching license under this provision would not be required to possess a bachelor's degree.

Specify that the following point values would be assigned based on the individual's experience in a technical field: (a) for a bachelor's degree in any science, technology, engineering,

or mathematics (STEM) field and any teaching license or permit, 100 points; (b) for a bachelor's degree in any STEM field, 75 points; (c) for a bachelor's degree in another field, 65 points; (d) for industry certification, 90 points; (e) for industry experience in a trade or technical field, five points per 40 hours worked up to a maximum of 90 points; (f) for an internship in a trade or technical field, 25 points; (g) for being mentored in a trade or technical skill by a colleague or a Wisconsin Technology Education Association approved mentor, 25 points; and (h) for an apprenticeship in a trade or technical field, five points per 40 hours worked up to a maximum of 90 points.

Specify that the following point values would be assigned based on the individual's pedagogical experience: (a) for a bachelor's degree in technical or technology education, 100 points; (b) for a bachelor's degree in a non-STEM field and any teaching license or permit, 75 points; (c) for credit earned at an accredited institution of higher education or technical college, three points per credit up to a maximum of 75 points for technical or technology education courses and STEM courses and three points per credit up to a maximum of 75 points for education and pedagogical course; and (d) for completing at least 100 hours of training in pedagogy, five points per 50 hours up to a maximum of 75 points.

Require DPI to verify the applicant's qualifications using only the following: (a) the applicant's transcript for the applicable degree or credits, for bachelor's degrees or credits earned at an accredited institution of higher education or technical college; (b) the applicant's industry certificate, for industry certification; (c) the signature of a supervisor, employer, or other reliable observer, for industry experience, an internship, mentoring, or an apprenticeship; or (d) verification by a course instructor, transcript, or certificate for pedagogy training. Provide that if the individual is unable to provide the required verification, DPI could use any other proof of the applicant's experience approved by DPI.

Specify that the individual must agree to complete the curriculum determined by the school board of the school district in which the individual would teach during the term of the license. Specify that an initial teaching license granted under this procedure would be valid for three years. Require that DPI issue to the license holder a professional teaching license to teach the technical education subject if the individual successfully completed the curriculum, as determined by the school board of the school district.

Require DPI to approve or deny an application for a technical education license no later than 45 business days after receipt of the application. Require DPI to provide, in writing, the reason for the denial if the application is denied. Specify that if DPI does not act within 45 business days, the application would be considered approved and the applicant considered a licensed teacher until DPI approves or denies the application.

Specify that these provisions would not prohibit DPI from granting a teaching license or permit to teach a technical education subject under current law provisions. Provide that a permit to teach industrial arts subjects could be issued to an applicant who is certified by the technical college system board to teach an industrial arts or similar subject.

b. *License Based on Reciprocity*

The second alternative teaching license would require DPI to grant a license based on the

individual's licensure and experience in another state. An individual would qualify for an initial teaching license if he or she holds a teaching license granted by another state, is in good standing, and has at least one year of teaching experience in that state. An individual would qualify for an administrator's license if he or she holds an administrator's license granted by another state, is in good standing, and has at least one year of administrator experience in that state. The individual must have received an offer of employment from a school in Wisconsin prior to applying for such a license, and the application must be completed by both the individual and the employing school/district. The license type, including the subject area and grade level, would be determined by DPI based on the individual's out-of-state license type or experience.

[Act 55 Sections: 3182s, 3247e, 3247g, 3247gb, 3247p, and 3247r]

18. TEACHING LICENSE BASED ON COMPLETION OF MONTESSORI TEACHER EDUCATION PROGRAM

Joint Finance/Legislature: Require that DPI grant an initial license to teach to an individual who meets the following requirements: (a) has a bachelor's degree; (b) successfully completed a teacher education program accredited by the Montessori Accreditation Council for Teacher Education; (c) successfully completed an introductory course in special education for which the individual earned at least three postsecondary credits; and (d) earned a passing score on any standardized examinations required by the State Superintendent for a license to teach the same educational levels and subjects issued in accordance with existing state law regarding teacher licenses, and on an examination identical to the Foundations of Reading test administered in 2012 as part of the Massachusetts tests for educator licensure. Specify that other current law requirements regarding teacher licensing would not apply, except that the individual would be required to undergo a background investigation like other candidates for licensure.

Specify that the teaching license would authorize an individual to teach the educational levels for which the individual has successfully completed a teacher education program accredited by the Montessori Accreditation Council for Teacher Education at a school that uses the Montessori method as its primary method of instruction. The State Superintendent would be required to treat an initial license to teach granted under this proposal in the same manner in which the State Superintendent treats initial licenses granted under existing state law.

[Act 55 Sections: 3182s, 3247e, and 3247s]

19. STATE SUPPORT FOR DIGITAL LEARNING COLLABORATIVE

SEG	\$3,000,000
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Joint Finance/Legislature: Provide \$2,000,000 SEG in 2015-16 and \$1,000,000 SEG in 2016-17 in a new appropriation for a digital learning collaborative established for the statewide web academy and for delivery of digital content and collaborative instruction. Segregated funding would be provided from the state Universal Service Fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

Current law requires DPI to provide statewide access to online courses for a reasonable fee through a statewide web academy, with access available to school districts, cooperative educational service agencies, charter schools, private schools, and tribal schools located in the state. The collaborative known as the Wisconsin Digital Learning Collaborative (WDLC) is the web academy that is being used to satisfy this current law requirement and is a collaboration between DPI and its two partner organizations, the Wisconsin Virtual School and the Wisconsin eSchool Network. The partner organizations provide services such as technology, software, and virtual content that allow districts to offer online courses to their pupils. Currently, WDLC is funded through revenue generated from fees paid by participating school districts.

[Act 55 Sections: 561j and 3532f]

20. STUDENT INFORMATION SYSTEM

GPR	- \$2,350,000
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Joint Finance/Legislature: Reduce funding in the appropriation for the student information system by \$2,350,000 GPR in 2015-16.

21. VIRTUAL MARKETPLACE FOR TEXTBOOKS

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$10,000	- \$10,000	\$0

Joint Finance/Legislature: Provide \$10,000 GPR of one-time funding in 2015-16 to fund a contract with a vendor or vendors to develop and add educational content to a digital marketplace and resource center. The marketplace would allow authorized personnel from public school districts, independent "2r" charter schools, and private schools, as well as home school educators, to purchase or license digital educational resources, including the following: (a) electronic textbooks; (b) individual sections or chapters from electronic textbooks; (c) supplemental resources, including worksheets, chapter reviews, quizzes, and study sheets; and (d) other digital offerings available from content providers or publishers, including videos. Provide that DPI would serve as the Internet host for the marketplace and resource center.

Require that DPI ensure that more than one educational publisher makes available the educational content on the marketplace and resource center. Provide that authorized personnel described above would have the option to license the content at a tiered rate for one year, three years, or six years, or purchase a permanent license.

Require that the vendor ensure that market and resource center software run and display properly on any computer, mobile phone, or other device with internet capability. Require the vendor to ensure that any educational content runs and displays properly on the most common and up-to-date personal computing and mobile operating systems, including Microsoft Windows, Google Android, and Apple computer operating systems, or their equivalent.

Veto by Governor [B-14]: Delete provisions.

[Act 55 Vetoes Sections: 481 (as it related to 20.255(1)(dt)), 560m and 3193s]

22. MICROSOFT IT ACADEMY

Joint Finance/Legislature: Require DPI to designate one individual to serve as a statewide coordinator for the Microsoft IT Academy.

The Microsoft IT Academy program provides educational institutions with technology curriculum and learning tools such as digital access to technology textbooks. Additionally, program members may purchase discounted Microsoft Certification exam vouchers that allow pupils to earn certification to demonstrate the skills they learn through the program. Participation in the program requires one individual to serve as a statewide coordinator.

[Act 55 Section: 3186g]

23. ALLOW DISTRICTS TO SELECT ASSESSMENT OF READING READINESS

Joint Finance/Legislature: Require each school district or independent charter school operator to administer a reading assessment selected by the district or charter school operator to assess the reading readiness or grade-level reading achievement of pupils enrolled in four-year-old kindergarten through second grade, beginning in the 2016-17 school year. Specify that school boards or charter school operators could administer computer adaptive assessments. Provide that current law requiring each school district and independent charter school to annually assess each pupil enrolled in four-year-old kindergarten through second grade with an assessment of literacy fundamentals selected by DPI would continue to apply in the 2015-16 school year.

Require DPI to pay to each school district the per pupil cost of the assessment selected by the school board or independent charter school operator multiplied by the number of pupils assessed in the school district or charter school from the appropriation for assessments of reading readiness. Specify that if funding in the appropriation was insufficient in any year, payments would be prorated.

Current law requires DPI to select an assessment of reading readiness that is appropriate, valid, and reliable, to be administered annually to pupils in 4K through 2nd grade. DPI is required to ensure that the assessment evaluates whether a pupil possesses phonemic awareness and letter sound knowledge. An appropriation equal to \$2,151,000 GPR is provided in each year of the biennium for these assessments.

[Act 55 Sections: 3245c, 3245g, 3245h, 3245k, and 3245L]

24. CIVICS ASSESSMENT REQUIREMENT FOR HIGH SCHOOL GRADUATION

Joint Finance/Legislature: Specify that a school board, independent charter school operator, and private choice school could not grant a high school diploma and the State

Superintendent could not grant a declaration of equivalency of high school graduation to an individual unless he or she has successfully completed a civics assessment, beginning in the 2016-17 school year.

Require that the civics assessment consist of 100 questions that are identical to the 100 questions that may be asked of an individual during the process of applying for U.S. citizenship by the United States Citizenship and Immigration Services. Require that pupils correctly answer at least 60 of those questions. Specify that a pupil may retake the assessment until the pupil obtains a passing score on the assessment. A school board, operator of an independent charter school, or governing body of a private choice school could determine the format of the test and when in the school year the test would be administered.

Specify that a pupil for whom an individualized education program is in effect would be required to complete the civics assessment, but would not be required to earn a specified score on the assessment prior to graduation. Provide that a pupil with limited English proficiency could take the civics test in the pupil's language of choice. Specify that the civics assessment requirement would not apply to a high school diploma awarded to a veteran meeting specific requirements specified in current law.

Require school boards, independent charter school operators, and private choice schools to periodically review and revise their written policy specifying criteria for granting a high school diploma. Specify that the written criteria would be required to include successful completion of the civics assessment.

[Act 55 Sections: 3187m, 3266b, 3266e, 3266g thru 3266n, 3266p thru 3266v, 3391b, and 3391c]

25. REGIONAL OR NATIONAL ACCREDITATION OF TEACHER EDUCATION PROGRAMS

Joint Finance/Legislature: Require the State Superintendent to accept accreditation by a regional or national institutional accrediting agency recognized by the U.S. Department of Education or by a programmatic accrediting agency, if the State Superintendent requires that an institution of higher education be accredited for the purpose of granting a license to teach or for approving a teacher preparatory program.

Under current law, most teacher licenses issued by DPI require the completion of a teacher preparatory program. The State Superintendent has the authority to develop standards, requirements, and procedures for the approval of teacher preparatory programs in Wisconsin.

[Act 55 Section: 3247e]

26. REQUIREMENTS TO RENEW A TEACHING LICENSE

Joint Finance/Legislature: Require DPI to accept credits earned at any institution of higher education, as defined in federal law, if credits from an institution of higher education are

required to renew a license to teach.

In general, new teachers in Wisconsin are first granted an initial educator license, which is valid for a period of five years and is non-renewable. An individual with an initial educator license may apply for a professional educator license, which can be renewed for an indefinite number of five-year periods, after completing a professional development plan and obtaining at least three years of teaching experience.

[Act 55 Section: 3247h]